

# THE CREDIT WORLD

*The Official Organ of the*  
**RETAIL CREDIT MEN'S  
NATIONAL ASSOCIATION**  
*Incorporated*



*Photo—Courtesy Rana, Inc., North Tonawanda, N. Y.*

DELIVERY ROOM  
**J. L. HUDSON CO.**  
DETROIT, MICH.

**VOLUME XI  
NUMBER IV**



**DECEMBER  
1922**

**"PAY YOUR BILLS PROMPTLY DAY"**

**JANUARY 22, 1923**

# Gorham Installation of INDEX VISIBLE

## "A Success from Every Angle"

THE GORHAM INTERESTS

THE GORHAM COMPANY  
PROVIDENCE AND NEW YORK  
WHITING MANUFACTURING COMPANY  
BRIDGEPORT, CONNECTICUT

WM B DUNCAN COMPANY  
CONCORD, NEW HAMPSHIRE  
THE WILLIAM B KERR COMPANY  
NEWARK, NEW JERSEY

PROVIDENCE, RHODE ISLAND.  
November 23, 1922.

Mr. Joseph C. Catches,  
315 Turks Head Building,  
Providence, Rhode Island.

Dear Sir:

The Index Visible Credit files recently installed at the Gorham Company and our three Affiliated Companies are proving to be entirely satisfactory, and letters received from all companies state they result in considerable saving of time, fewer errors, greater accessibility and furnish more information, than previous equipment.

While the files at the Gorham Company Providence are not yet complete, we feel confident they will prove to be a success from every angle. As you know, Index Visible files were purchased and made up to replace a file just completed with other equipment which equipment has been discarded in favor of the Index Visible, although the cost involved and the time that had been spent upon it represented a considerable outlay.

All who have seen the files have become enthusiastic over them and our entire Sales Department are anxious for the same equipment in their division.

We are particularly gratified to note the files are serving their purpose in a satisfactory manner with our Affiliated Companies as this feature is of considerable importance with us, and with the excellent service we have received from you, it is already felt that our investment is paying dividends beyond measure.

Yours very truly,

THE GORHAM COMPANY.

*A. A. Mainwright*  
(A. A. Mainwright)  
Credit Manager.

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WHAT others say about us may be more convincing to you than anything we might say about ourselves. We therefore merely invite your attention to the letter here reproduced. Consider your own credit methods and ask yourself if they would not be improved by an up-to-date system of record keeping. Then ask us to show you how much I-V-I can help you and how little it will cost.

### INDEX VISIBLE, INC.

Main Office and Factory  
New Haven, Conn.

Sales and Service Offices in Leading Cities



# INDEX VISIBLE

## Card Record Systems

WISHING YOU  
*A Merry Xmas and a Happy  
and Prosperous New Year*

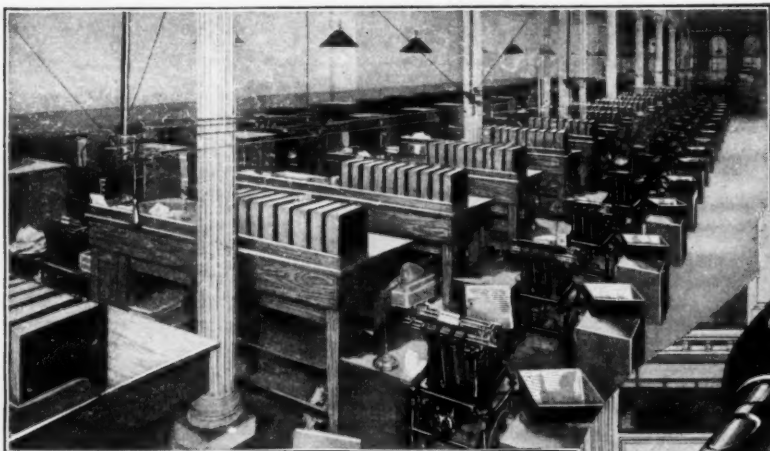
H. G. BITTLESTON, *President*  
BITTLESTON COLLECTION AGENCY, INC.  
LOS ANGELES

SOUTHERN CALIFORNIA SERVICE

"We Get The Coin"



"We Pay"



View in the Sales Bookkeeping Section of Accounting Office, Carson, Pirie, Scott & Co., showing part of the battery of 65 Underwood Bookkeeping Machines.

**Carson, Pirie, Scott & Co.**  
are no longer

## "Under the Shadow of the Pen"

TODAY there are 65 Underwood Bookkeeping Machines in the offices of Carson, Pirie, Scott & Co.

They are there because this great mercantile house has always followed the policy of giving its customers a maximum of service and protection—and of administering its own business under the most modern and economical methods.

*In spite of the fact that they maintain thousands of active credit accounts, they close their books by about noon of the first business day of each month, and have their bills ready to mail between two and four o'clock on the afternoon of the same day.*

Since the completion of their mechanical accounting system, they have not been out one cent in any month on their trial balances.

*Keeping books on Underwood Bookkeeping Machines enables Carson, Pirie, Scott & Co. to:*

1. Prove that all items are correctly posted as to amounts, on both ledgers and bills.
2. Prove that all items are accounted for, and that none are omitted from either ledgers or bills.
3. Prove that old balances are properly picked up on both ledgers and bills, and that new balances are correctly computed.
4. Prove that debit items are entered in debit columns
- and credit items in credit columns.
5. Prove that the items have been posted and billed to the correct accounts.
6. Eliminate all trial balance troubles.
7. Eliminate the labor of footing thousands of bills at the end of each month, as under their plan the bill is ready to render immediately after the last entry has been made.

*(We have prepared a report showing the operation and results of the methods used in the office of Carson, Pirie, Scott & Co. This report will be sent on request.)*

The Underwood Bookkeeping Machine can lift "The Shadow of the Pen" from any business, large or small. The coupon below will bring one of our representatives who will gladly give expert advice on any accounting problem.

UNDERWOOD TYPEWRITER CO., INC., Underwood Building, N. Y. Branches in all principal cities.

# UNDERWOOD Bookkeeping MACHINE

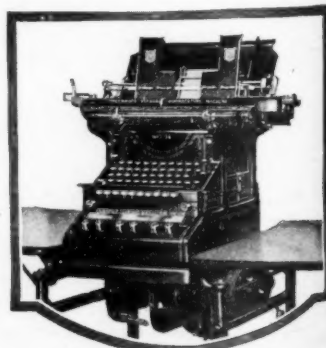
UNDERWOOD TYPEWRITER CO., INC., Underwood Bldg., New York c.w.

△ Send Underwood Bookkeeping Machine representative from nearest branch office.

△ Send a copy of "Taking Industry out of the Shadow of the Pen."

Name.....

Address.....







# THE CREDIT WORLD

Official Organ of the



## RETAIL CREDIT MEN'S NATIONAL ASSOCIATION

Issued Monthly

DAVID J. WOODLOCK, *Editor*

Subscription: \$5.00 Per Year

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## EDITORIAL

### A MESSAGE FROM PRESIDENT AHL TO EVERY MEMBER OF THE RETAIL CREDIT MEN'S NATIONAL ASSOCIATION

From the floor of the Convention Hall in Cleveland I made a request or appeal for each and every delegate present to obtain at least one new member for our Association during the year.

Four months have passed and how many have done what was expected?

The Bills Receivable of the merchants throughout the country have received more protection from the efforts of the Retail Credit Men's National Association than from any other source but many credit men and merchants do not realize this as a result they are accepting this service and protection without payment.

The retail merchants as a class are broad gauged and are willing to pay for value received and are writing for our Association to be sold to them. They do not know what we are doing and it is the duty of every member to tell them.

You know what our Association has done for you. It has broadened your vision and every man or woman who has attended our conventions has returned to his or her desk better equipped to handle the problems which daily arise.

You have obtained the ideas of your fellow credit grantors and absorbed a part of their knowledge and they in turn have been benefited by what you have given them.

Not many years ago retail credit granting was to a great extent out guessing the applicant for credit and the credit manager was tolerated as a necessary evil but today retail credit granting is a profession—none more honorable and the credit manager is considered one of the greatest powers for good or evil in his firm or corporation. He can build or destroy but as he does build "destroy" can be used negatively.

Not many years ago the sources from which information could be obtained were few and generally unreliable but through the efforts of the Retail Credit Men's National Association we have a strong right arm called the Service Division operating in almost every city in the country through which reliable reports can be obtained as

*The Officers and Directors  
of the*

*Retail Credit Men's  
National Association*

*wish each member the compliments  
of the season*

*A Merry Christmas and a  
Happy, Prosperous New Year*

quickly as desired by mail, telegraph or long distance telephone.

This is the result of organization and if these facts were placed squarely before the merchants of your city or town they would condemn you as their Credit Manager for accepting these wonderful benefits and safeguards without allowing them to pay their share.

Retail Credits are increasing every year and as the volume increases more scientific methods are necessary and as the strength of an organization governs its powers for service we must work together for the up-building of the Retail Credit Men's National Association.

I recently heard a prominent man say that many credit men had a strong jawbone and a weak backbone and it should be reversed.

To this remark I took exception and said that a Retail Credit Man should have a strong jawbone, well governed, and a strong backbone for both are required in our profession.

A big man not only works for himself but tries to make conditions better for everyone with whom he comes in contact and as the spirit of the golden rule is strong within us all, we will allow the other fellow to participate in the good work we are doing and help to show him the way.

### THE FAME OF THE CREDIT WORLD

We have received an inquiry from Hong Kong, China, asking about the Credit World, evidently our publication is becoming international in its value to retail merchants.

### "PAY YOUR BILLS PROMPTLY" PUBLICITY

Through the co-operation of our members, this advertisement will appear in the newspapers of two hundred cities on January 22, 1923:

TODAY IS

### "PAY YOUR BILLS PROMPTLY DAY" OF NATIONAL THRIFT WEEK

The Retail Credit Men's National Association Sends You This Message:

*As credit is the foundation of business,  
so is character the basis of credit*

A man's credit is his greatest asset. His very standing in his community as a citizen, and that of his wife and children in their circle of friends, is affected by the manner in which he pays his bills.

YOU—whether you live in Portland, Maine, or Portland, Oregon—in Paterson or Kalamazoo; if you fail to pay your bills promptly, you will find that the Retail Credit Men's Association of your town has its eye on you and your record is on its books.

This record is not only spread before the eyes of all merchants of your home city; but should you take up your abode in another city of a distant state, and apply for credit there, you will find that your record has preceded you.

TODAY is "PAY YOUR BILLS PROMPTLY DAY" of National Thrift Week. If you are "slow pay," this is a splendid day to take stock of yourself and your credit standing in your community.

If you are slow pay, make up your mind today to change your system. If you owe bills that are past due, step into the stores where you owe them, see the credit man and make arrangements to pay them at once.

*Do not abuse your credit. Safeguard it as you do your character. This you can do by—*

**PAYING YOUR BILLS PROMPTLY!**  
RETAIL CREDIT MEN'S ASSOCIATION  
OF

*Affiliated with the  
Retail Credit Men's National Association*

## LARGE AND SMALL RETAIL MERCHANTS

The retail merchant is the axle upon which the civic activity of the city or town resolves. Even in large commercial centers where jobbers and manufacturers have heretofore been the moving spirit in the community life, we find the retailers throughout their merchants and credit associations, taking the lead in every movement looking toward civic betterment.

We also find the old spirit of narrow and selfish competition is being displaced by one of co-operative helpfulness and as a result the selling of merchandise at retail has become a dignified and honorable business.

However in many places, particularly in cities and towns of 50,000 and under in population, we find there still exist traces of the old spirit of self centered selfishness. They cannot see the value of the working together and are standing in their own light. This is evidenced by the trouble we experience in organizing Credit Men's Associations in cities of this size. Many of these merchants admit losses of from 3% to 8% of their credit sales, yet they hesitate to pay \$5.00 or \$10.00 per year toward the support of a Credit Association for the purpose of reducing these losses for fear of having to tell some other store keeper about their business.

It is strange that the fact of the ever increasing business done by the great stores of the country who are co-operating through Merchants and Credit Associations, does not prove to these small merchants the fallacy of their narrow minded ideas and the benefits of becoming better acquainted with other merchants.

### ADVANCE CONVENTION NOTES

The Milwaukee Convention Committee have arranged for the Convention of the Retail Credit Men's National Association, June 1922-1923, to take place in the auditorium. The Sessions to be held in Janeau Hall, and the Exhibits in Kilbourn Hall. This is the first time our Association has held a meeting outside of a hotel.

The Hotel Wisconsin has been selected as Official General Headquarters.

### THE CINCINNATI CREDIT BUREAU

The Cincinnati Retail Merchants Credit Bureau has made wonderful progress since organization about a year ago. Believing in the policy of centralizing all credit information in one bureau they purchased the Retail Mercantile Agency owned by R. K. Chapman, and are now the Official Retail Reporting Agency of Cincinnati.

Mr. Fred Harries, formerly with the National Retail Dry Goods Association is Manager of the Bureau and also Executive Secretary of the Associated Retailers. Their offices are located at 37-39 Carew Bldg.

## A CHRISTMAS THOUGHT

By E. W. Nelson, Past Pres.,  
R. C. M. N. A.  
Fellowship

The Christmas season recalls and emphasizes the spirit of brotherhood and interest in all mankind, which was so splendidly taught and exemplified by Him whose natal day is observed, the world around, each December.

May not every Credit Manager earnestly strive to follow His example, in some small degree, by taking a deeper and more kindly interest in his fellow credit men and their problems, in a sincere effort to assist in handling their work more acceptably to the store's customers and more profitably for all concerned?

Passing helpful information or suggestions along to one's fellow workers, at home or abroad, whenever and wherever possible, is doing much to promote better conditions and goes far to "Brighten up the corner where you are."

Cordially active service for the sustenance and development of our National Association, and affiliated local associations, contributes splendidly to their growth and progress, which portend so much to the business interests of our nation.

Let us then derive from the spirit of the hour a renewed inspiration of fellowship and a firmer, higher, resolve to assist our fellow man in all possible ways, during the coming year, in the hope that his life and work, and ours, may be sweeter, brighter, and more profitable to all.

With the kindest of the season's greetings, and very best wishes to all, from your Past President.

### WHO WANTS TO LIVE IN BENTON?

National Secretary Woodlock has been endeavoring to organize a Credit Men's Association in Benton, Illinois, which is located in the coal mining district. Prospects looked good until some of the union leaders discovered the State Chamber of Commerce had contributed toward the fund to prosecute those responsible for the Herrin murders. They immediately demanded the Retailers of Benton place cards in their windows stating they were not members of the State Chamber of Commerce. It also appears that during the strike these same union leaders demanded the retailers "carry" them on their books for their needs until the strike was settled and for fear of a boycott, the merchants complied.

### ONLY SIX MONTHS AWAY

Local Associations should begin now to arrange to send large delegations to our National Convention in Milwaukee, June 19-20-21-22, 1923.—We feel certain this will be the largest and most interesting meeting we have ever held.

## NEW BOOKS ON CREDIT

### THE BANK CREDIT INVESTIGATOR

By Russell F. Prudden

Published by Bankers Publishing Co., 253 Broadway, N. Y., Mr. Prudden has covered the subject of Bank Credits in a very excellent manner and gives in detail the methods used in the investigation of an applicant. It is of particular value to the understudy or beginner in Bank Credit work.

### MERCANTILE CREDITS

By Finley H. McAdow

Published by Ronald Press, New York, N. Y. Mr. McAdow is a former President of the National Association of Credit Men (Wholesale) and his book is a digest of the knowledge he acquired personally during years of credit work. It is a valuable book to all interested in credits, particularly these selling to dealers on credit.

### LOCATING MISSING DEBTORS:

For several years we have passed Resolutions at our National Convention asking the co-operation of the Post Office Department in securing the names of Missing Debtors by issuing an order, making it compulsory that all receipts for registered letters bear full address of the party receiving same.

We realize the Government is not a Collection Agency, but one big duty is to help the business interests of the land, and when it is such a simple matter to render the aid asked, we feel we are entitled to recognition.

We have not as yet impressed the Government that the merchants of the land are behind this movement, so we have decided upon a novel way to cause the Post Office Department to feel we need this service, and it will in no way interfere with the functioning of the Department.

We ask each member of the Retail Credit Men's National Association to write a personal letter on their firm's stationery, addressed to Hon. Hubert Work, Postmaster General, Washington, D. C., urging him to issue an order of this kind. **THESE LETTERS SHOULD ALL BE DATED AND MAILED ON JANUARY 22, 1923, WHICH IS PAY YOUR BILLS PROMPTLY DAY OF NATIONAL THRIFT WEEK.**

Local Association officers and individual members should get behind this movement and give it as much publicity as possible.

### JUNIORS APPLY FOR CREDIT

Reports from eastern cities indicate a large number of young persons are applying for individual credit, some of them are no doubt worthy, but it is not good business to encourage accounts of minors, regardless of risk involved, it has a tendency to develop extravagance. The credit men of Rochester, N. Y., have gone on record as considering such accounts undesirable.



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# THE CREDIT WORLD

December, 1922



## The Advantages of Doing Your Own Justice Court Work

By H. C. Delezenne, Credit Manager, Geo. A. Drake & Co., Detroit, Mich.

1—The great saving in commissions and fees.

Collection fees, as you know, range from 15-25 to 50% of the amount involved. 15% is the charge where just a letter is written, —25% where possibly a letter was written and a man had to call to see the party. In some cases suit will be started on a 25% commission basis, but it is then usually necessary to forward from \$7.50 to \$10 for suit fees, if the case will be handled. The court cost of an assumpsit suit here in Detroit is \$1.75, and attachments and garnishments are but from \$1.50 to \$2.00 more.

2—Elimination of the necessity to exhaust every trick in the calendar before passing to an agency or an attorney.

In handling our collection work, without a knowledge of Justice Court procedure, we used to send out from 10 to 15 form letters, cards, statements, etc., at various intervals, make many phone calls, take a great many promises, and make some personal calls, invent stories to excite sympathy, get "hard boiled," threaten, persuade, cajole, accept payments of \$1.00 per week; in fact, we were of course glad to try or accept most anything in order to save the necessity of turning the account over to an agency or attorney, thereby acknowledging our defeat and suffering pecuniary loss. All of this is of course done with when you handle your own justice court work. A thorough investigation of the case is made and a decision based on this investigation, is arrived at, and it is decided what action to take or what method of collection can be best adapted to handle the case in the most efficient manner. Of course in all cases it is not desired to sue the case, but at least some definite plan can be carried out with some idea of success, and the greater percentage of doubt and uncertainty can be eliminated.

3—Better results because the individual concern's interests are 100%, while the agency's commission is but from 15 to 50% of the amount involved.

At one time I went over to see the attorney who was handling a few of our cases. I said, "Ed, how are you coming on that claim against Ray Warner?" He replied: "Del, I haven't had a chance to work

on that to any extent. A suit was started and was set over two or three times on aliase, and I have meant to get hold of our constable and find out why the service has not been made. I will give you a report on it just as soon as possible. I have been busier than the dickens lately." Now this claim was for \$54, and I had a great deal of interest in it because I had spent two days locating the party in order that our attorney could handle it quickly. Really though, I could hardly expect "Ed" to have an interest comparative with mine, as I was after the \$54, and he was after but a percentage thereof.

4—Acquaintance with all details of the case as it goes through court.

You can prevent "stalling" of the cases,—have an opportunity to accept adjustments or returns at your own idea of what is just,—you can immediately help your constable if he is unable to serve on the party, instead of allowing the case to drag through many "set overs,"—you come into direct contact with your debtor at various intervals,—you have an opportunity of "cashing in" yourself for your concern, on the ones which are adjusted out of court,—you have an opportunity to retain the good will of your customer through decency in handling the case, etc.

5—From court experience, the gaining of better sales and credit ideas.

Court cases of course bring to light clearly and emphatically the advisability of ascertaining all that you can when taking credit applications, of what a man owns, his correct address, his previous addresses, his influential connections, whether he owns a car, what other luxuries he has, who he is doing work for, and other points necessary in handling the case and satisfying the judgment. It is surprising how much better a credit man the court experience produces. The importance of securing the customer's signature to all deliveries is very sharply shown,—loose sales methods can not long exist where someone in the organization is doing court work.

6—Two-fold confidence of the concern in their ability to secure their outstandings.

The accounts receivable usually to an official of the company like an "unknown

quantity." As soon as he understands how to handle this "unknown quantity," he begins to have a known quantity to that extent of course. He knows that if he should get in a "pinch" and have to liquidate as fast as possible, that he could do it without any great sacrifice, and with all the speed, and then some, that would be possible through outside sources.

7—Increased efficiency of a collector who knows what to do with the debtor who refuses to pay.

We had a very reputable attorney on the books, who I went to see after sending out the usual form letters necessary in volume work. I was in a quandary as just what course to pursue, of course, knowing that if I became "hard boiled" with him, he might "stand pat," making it necessary for me to lose from 25 to 50% of the claim, and, being ignorant of the court work, I doubted that we would recover at all as he had the reputation of being a very shrewd lawyer. Then too, I felt that congeniality would not secure but a very small remittance on a fairly large account, and that the long drawn out procedure of "50c now and a quarter when you catch me," would have to be gone through with. The latter was what really did happen in this case, and it was eight months before we could secure \$146, at the rate of \$5 now and then, each payment being loosened up only after hard work, and even at that we were very glad to have an opportunity to give a substantial credit on a desk which had been used quite some time. All of this when I knew this attorney to have considerable property and a first-class clientele. Of course this would not happen with a knowledge of the justice court work.

8—Increasing the volume of business.

Without a knowledge of suit, garnishment, replevin, etc., it is necessary to place on a C. O. D. basis anything which looks doubtful. With this knowledge in your organization you can sell many slow-pays whom you know are collectible. There are a great many men who buy easy and who have the money and property to be able to pay their bills, but who recognize no statements, letters, calls,—paying nothing but



suits after they are started. In this way they go on and on, as you well know, beating a great many of their bills, putting over outrageous adjustments on the creditor, and still obtaining credit,—although we are getting wiser every day. These people will buy and their business can be accepted on a profitable basis, and what is more astonishing, they will many times keep right on buying. All that is necessary is to know that nothing has an effect on them but the "real stuff," followed by the "reality," if necessary. These people are all right and have convinced themselves that their method is OK, and all that is necessary in handling this business, of which there is quite an amount, as any Credit Manager knows, is to have a knowledge of the Justice Court work, in order that no sacrifice will have to be made in starting the suit.

#### 9—Prevention of "stalling" of court cases.

I remember, when picking up a knowledge of this work, I had given one of our cases to the attorney, a customer of ours, and when the case came up I went over to court to see how it would come out. Just before the case was called, I noticed our attorney talking with another lawyer, and when the case was called, our attorney said "One month by consent." I asked him later regarding it, stating that I thought our case was ready for trial, and he said, "Oh, they will come through all right. Their attorney had a case in circuit court this morning, and is going to be out of town for about three weeks, so I set it over until then." I suppose this is part of the ethics of the game, and, it may have been really necessary; however, by handling our own cases, we can in most instances get them adjusted very much quicker. Furthermore, I do not believe attorneys in general will feel much "put out" through the loss of a bulk of the Justice Court work, which they use merely for a stepping stone, and the gaining of a clientele. The work is irksome to them, does not require much originality, and is not very lucrative,—and the layman can not practice in the higher courts in any event.

10—Increased business through your collector's acquaintanceship made in court work.

One of our best accounts, a large law firm, was secured through a favor in court work, namely, answering a call and holding a case from being dismissed, while the attorney had another case in a higher court.

11—Extremely valuable and important credit knowledge gained by your collector in the courts.

Any credit manager retains the names of the majority of his firm's customers in his head, and when he hears any one of these names called he usually remembers them as a customer, or an account. Presence in justice courts a few mornings of the week, during the call of cases (lasting about 1½ hrs.) is the equal, if not, better than a membership in a bureau, as your credit manager

hears cases which are STARTED, but the bureau secures only the JUDGMENTS published in the legal news. There is a vast difference in the amount of critical credit information here, as any business man who has been in financial straits will affirm. Long before a corporation, or individual, fails or files their petition in bankruptcy, or when judgments appear in the legal news, there are usually a great many cases STARTED which he is able to adjust in some way—shape—or manner. This is just the time when the credit manager wants to "get into the game" and if possible give him some good sound credit advice, or, if he can get no response whatever, he will have to "get busy." By the time the judgments come through and are published, it is usually so late that hurry-up legal work will only come to nothing in the bankruptcy court, being termed a "preference."

12—Great saving of collector's time, by not having to collect his accounts by the "nickle when you catch me" plan.

You all know how much actual loss in interest, good will, time, effort, real money, is occasioned, and how big a volume of collection work it is necessary to do with this system in vogue. I venture to state that those who do not know, are either passing accounts to agencies, or do not have a very large volume of business, or are turning down anything which is in the least possible way, doubtful, but which might be profitable.

13—Ability of one collector, by phone, mail, and Justice Court work, to handle the work of three or four collectors who have not this knowledge.

A thorough investigation and some kind of a plan can be evolved in this way, and it seems to me that it is now time that the great majority of business concerns should take advantage of the privilege of the layman to secure justice for himself in the Justice Courts.

14—The advantage to the concern, as the collector or credit manager progresses in this work, of having in their employ, at all times, a young man, or woman who if he can not answer questions regarding various legal matters, always knows where he can secure the information quickly and speedily.

Quite a matter of service to your own employees in times of legal difficulties arises from this knowledge and the assistance you are in a position to give them, with little expense, if they have a just cause. Many of these instances have come to my hands since getting into this work, and I believe the good-will of the employees to the company far repays the little time taken in advice and action. Another advantage of this information being within the organization, was the revision of our contract, so that it would "hold water" in a "storm," resulting from a bankruptcy case.

15—Increasing your collector's enthusiasm

by assisting him to secure information necessary to carry his own cases through Justice Court.

It gives him more confidence in himself; it secures for him new acquaintances; it gives him more responsibility; more resourcefulness; more initiative; more reliability; and a great interest and insight into BUSINESS. His respect for himself, and his job, is increased ten-fold.

16—Elimination of the necessity of taking a "what will you knock off if I give you the cash now" settlement.

In addition to this, all kinds of impositions are impossible;—the returning of goods which were bonafide sales and which were satisfactory; various kinds of charge-offs;—and unfair adjustments can not be any longer "put over." These cases can then be settled on their merits.

#### Ad Infinitum

I believe that the general public will be a great gainer through the reduction in prices which will ultimately follow, as the business man slowly overcomes his natural aversion to having this work within his own organization; and I believe that no concern, who once gives it a fair trial, will go back to the old methods of handling collection work.

I believe too, that any concern which will, (or does) use but a small portion of the money saved by doing their own Justice Court work, in more complete credit information, will be a great gainer. That has been our experience during the last two years, and, feeling that the practice is not as common as its advantages would warrant, they are hereby passed on to you for your consideration.

**DON'T FORGET! JANUARY 22, 1923,  
IS "PAY YOUR BILLS PROMPTLY DAY"**

#### THE ANNUAL CHARGE OFF

As the year draws to a close, the credit man wakes up to the fact that he has a lot of money outstanding and it's up to him to decide the value of each account and charge off those he considers worthless or doubtful. This is the time that racks the soul of a credit man—No matter how careful or conscientious we may have been, there are always recollections as we write the name of what we once considered a good risk on our profit and loss list. Some mistakes of judgment, others faulty collection methods, others personal friendship, perhaps some because of inefficient system.

Let us learn from our experiences of the past and correct our mistakes in the future.

Be honest with ourselves and our firms by charging off everything doubtful and pushing collections on those that have been dragging for sometime. This is "house cleaning" time and by February 1st, our ledgers should contain nothing but live accounts worth one hundred cents on the dollar.

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## Collection of Past Due Accounts

By E. F. Horner, Credit Mgr., "Klines," St. Louis

The age of an account before proceeding to collect must be governed by the policy of the house, the nature of their business and the kind of merchandise. While nearly all concerns quote their terms as thirty days, seldom any request settlement after purchases are made until sixty days, with exceptional cases. What you might term as *light weight* accounts, or where you have had a distinct understanding before opening, because of their past record or their responsibility being very limited, is what I refer to as exceptions. The conditions that have existed in the past year have necessitated a close watch on collections, and in a certain sense, have caused a shortening of terms. It has been the custom of our company not to write a collection letter until the expiration of sixty days, and from that time if possible, follow up every ten days, either by statements, phone or letter.

The first letter should be mild, leading the debtor to feel you realize it is just an oversight and will forward payment within the next few days. A second or follow up, should be sent within seven or ten days—if a promise or explanation has not been offered, the third letter should demand immediate settlement, having a right to feel the individual is wilfully evading payment of the obligation. Future action must be governed by taking into consideration all facts, who the debtor is, the information you have as to his or her responsibility. This is a critical time and requires serious consideration, as it may not only mean the loss of the account but the customer and their influence.

### Form Letters

I believe every store, to a certain extent, uses form letters, having no other recourse, if handling thousands of accounts. The disadvantage is sending the same letter to the customer twice, which depreciates the real value, they having the idea you have a series of such letters, just wondering what the next one will be. In order to avoid this, our first, second and third letters are changed frequently. These, in my estimation, should be short, to the point, and you obtain just as good results as if dictated, providing the formation of same is proper. I have made up thirty or forty within the last year, classifying same by using letters of the alphabet and numbers and under our system, it is not likely the same letter is received the second time. The date and number of letter written is placed on ledger sheet, which makes practically a permanent record. This is also an advantage when talking to a customer, as you know just

the kind of letter received without referring to correspondence file.

### Printed Letters

No doubt a great deal of time is saved in having form letters printed or using such letters that are made up by various Commercial Agencies. My experience with such has been very limited, but some stores have had fairly good success. A printed letter, such as is secured from our local Credit Bureau, has obtained wonderful results. It calls the individual's attention to the fact that his or her credit standing is being jeopardized in all of the leading stores through this organization whose purpose it is to establish more firmly the basis on which their credit is formed. Most printed letters are easily detected by a discriminate person and accordingly loses much of its real value. For the first or second letter, it may be advisable, but for general use, hardly believe it would be satisfactory.

### Rubber Stamps

When sending out accounts rendered statements, we have at various times used rubber stamps and in many cases, feel that it takes the place of a letter. When an account is several months past due they are placed on statements with certain discriminations. The little stickers of the National Associated Credit Men are also used and found to be very effective and at the same time, their cost is very nominal.

Some of the stamps which are sometimes used read—

*Kindly favor us with a  
Remittance covering above balance*

*We must insist on  
immediate settlement  
without any  
further delay*

### PLEASE REMIT

*Your account is now past due  
We shall give to attorney if not paid*

by \_\_\_\_\_

### Collection by Phone

While this method is resented by a few, especially if called at business address, we have obtained very good results. Some people do not like to write letters but will give the facts over the phone and which places you in closer touch, allowing an opportunity to say things that would be out of order in a letter. The discussion usually leads to something definite, whereas many of their responses by mail simply state "will pay as soon as possible" without offering ex-

planation. In such cases you can hardly mark your records in a really intelligent way. The stores of our city are adopting this method of collecting more every day and have decided that it is one of the most effective ways of obtaining results.

### Collector

An outside collectors greatest assistance is in tracing, finding out the real cause for neglect from certain individuals, who ignore all letters. His real worth cannot be estimated in dollars and cents that he brings back each day. If he is courteous, energetic, persistent and has a certain knowledge of human nature, can obtain a definite promise and other information from observation. When giving him a call, familiarize him with the account so he can discuss it in an intelligent manner, if the customer has some objections or should make excuses. Remember he is your representative. His success and worthiness depends largely upon your co-operation and advice.

### Return Envelopes

At least the greater number of firms handling a large charge business, enclose a self addressed envelope with their statements, which are sent out the last or first of each month. If this simply is a force of habit or if they believe it assists in creating a desire on the part of a customer to pay promptly, I do not know. The last few months in order to arrive at just what effect this has, our return envelopes were marked before going out and then counted each day as they came back, and the result was that we found over 25% had made use of them. This I believe, is a good percentage and such procedure is advisable to continue.

### Threatening Debtor with Suit

It must be remembered that most people want to pay their debts and you can hardly consider anyone dishonest until they have proven themselves as such. You may relieve your feelings in a certain kind of a letter, but it does not collect the money very often and in this connection the human element should not be overlooked. It is best to appeal to their sense of honesty, as long as possible or consistent, be human, reasonable and this will often secure your money, while the one who threatens too early will wait for his. Realizing retail credit for the most part is founded on honesty, character and moral responsibility of the individual. Their future business should be taken into consideration, while you possibly would not sell the person on credit, their cash business would be appreciated, as well as their influence. It is a proven fact that tact, diplomacy and good judgment collect more accounts than threats and prosecution, and considerate treatment often leads the way to what we thought was hopeless. After putting forth every effort, such action is justified and after making the threat, it should invariably be carried out.

# An Untouched Field

*There are in this country:*

36,746 Dry Goods and Department Stores	29,660 Retail Millinery Stores
45,600 Retail Clothing Stores	19,151 Retail Meat Markets (exclusive of grocery stores)
58,118 Retail Shoe Stores	15,773 Retail Music Stores
334,336 Retail Grocery Stores	48,256 Retail Drug Stores
26,813 Retail Jewelry Stores	42,780 Retail Hardware Stores
25,980 Retail Furniture Stores	

Making a total of 683,213 stores in eleven lines of retail business.

Yet we have only 10,000 members in the R. C. M. N. A. Remember, every member added means more service, more cooperation, fewer undesirable accounts and a reduction of losses from bad debts to a minimum.

You are helping yourself and your firm when you secure a new member.

If every present member sent in only one new member, it would mean 20,000.

Show your interest in your Association by securing at least one new member this month.



## They'll Bring in Your Dilatory Dollars

### COLLECT YOUR BILLS

At a Cost Guaranteed Not to Exceed 25% on Slow Accounts, with the  
**Hickox System of Direct Demands**  
 Simple—Courteous—Effective

Thousands of dollars have been brought in by a single supply. For Retail Merchants, Professional Men—all who have bills to collect. Look them over without obligation. Read and sign the coupon.

**The Hickox System, Bessemer Bldg., Pittsburgh**

**YOUR ORDER AND OUR GUARANTEE**

Send me your Direct Demands. Within seven days I'll either return them or send you \$25.00. In case I buy them you are to refund my money if they don't collect at least \$100.00.

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## Handling Retail Coal Credits

By Lewis Waters, Prospect Coal Co., Cleveland, Ohio

Twenty-five years ago last March, with the enthusiasm of youth fresh from commencement, I started out at eight o'clock one morning to sell my first ton of coal—and at noon, returned to the office with my first order, 5 tons of hard coal. To me I had earned my year's salary right there, can you picture the disappointment, the crushing effect, when upon reporting the sale—my employer abruptly and to me, cruelly asked—"Do you know that man will pay for what he gets?" And are you surprised when I tell you my reply was "Of course, who ever heard of a man not paying his bill?"

Since then, I have learned much, but never have I lost faith in man's honesty and those that have no idea of paying, ("the dead beats" as we call them,) are very, very small in number. Many, many times I firmly believe, that the man who often times might become a dead beat can be saved from that ignominy by the Credit Man himself. As to just how I'll come to later.

The attitude of the domestic consumer of coal, has been for years, that the coal man, being a "baron," could wait for his money and therefore the grocer, the butcher, the furniture man, the wedding gifts, the summer vacation, Christmas gifts and taxes could all be financed before thinking of the coal bill. That attitude has been the bane of the coal man for years, and I presume, as human nature is alike the world over, it is the same with you in your various localities as it is with us in this city.

In the last few years, a very marked improvement has taken place. We have approached something near the ideal sought, not entirely through our own efforts, but assisted by a status of trade due to war conditions. To hold it there, not to return to the old crude ways of long outstanding accounts—is a fight we are making today. But I believe we can and will maintain it, though it will take a firm stand and the strongest co-operation among the dealers.

When the war broke out, we were all selling coal on long time payments and it was not unusual to accept payments of \$5.00 and 10.00 a month on amounts running anywhere from \$25.00 to over \$100.00. Think of it—anywhere from 6 to 12 months to collect a man's coal bill that ought to have been collected within 60 days at the most.

As coal grew scarcer the country over—and money more plentiful, the coal man was quick to put the slow pay on a cash basis and to establish a short time limit on all credits.

The retail coal business, for the first time had come to be a joy. The dead beat had to pay—the slow man wanted to pay and the prompt pay was better than ever.

To the coal dealer this was the millen-

nium though a few still liked to theorize on the cash only plan. Cash only is a wonderful idea in itself, but in a large and growing community—I fail to see it as a basis extending and enlarging one's business. The war brought us many benefits that cannot be forgotten—with all the business that each one could handle and coal scarce—we became more friendly in our relations—we became a unit as never before—with the result the Retail Coal Dealers Board was formed and became an integral part of our splendid Chamber of Commerce, thus bringing to the coal man the prestige and recognition, which had so long been denied him. The Board operated with the one idea—to solidify our dealers—to promote a feeling of reciprocity among ourselves—to know each other better and to accomplish, as a unit, things we never could hope to accomplish as an individual—and then to effect such a complete exchange of credit records that a line on any man wanting to buy coal on credit within greater Cleveland, could be secured at once. After a thorough study of various plans proposed—the credit committee recommended and a contract was entered into with the Cleveland Retail Credit Men's Co., by the Board covering all members. Meetings were held—explaining the system, urging co-operation and inducing the disinterested dealer to turn in his report of names and credits. It is not yet all that we would like. We are advancing constantly—each year showing a decided gain in the number of dealers using and depending upon the credit association and whereas before the war less than 10% of us were interchanging credits—70% of the coal dealers today, are regularly turning in their names and ratings, and there is no doubt that the people in our city, are fast awakening to the knowledge that they must pay their coal bills promptly.

Every dealer has access to this credit information—this in itself encourages the giving of credit information as never before. In a large city a man in your territory today—may be applying for credit in your competitor's territory tomorrow and vice versa the desirable or the undesirable in your competitor's territory may become your customer tomorrow.

You credit men can readily see the far reaching benefits of such mutual exchange—to say nothing of the additional information gathered from other sources by the credit association itself.

The results of our Coal Board meetings have demonstrated so clearly the value of getting together with your competitor—I can not urge upon you too earnestly the benefits of such friendly relations. Some of our most difficult members have been converted

and are enthusiastic co-workers today. Encourage discussion—for many an able suggestion is gathered in that way.

Then there is yourself to consider—your responsibility is a big one and you have a peculiar position in the business world. You stand between the order received and the order filled—you either make or lose for your company.

It demands of you the very best you can give it—untold tact, a firm, but kindly heart, tremendous wisdom and a vast amount of common sense. You enjoy your employers complete confidence, a thing which you should never forget. He looks to you to pass upon the business offered and you must be able to handle it wisely. Surely a difficult task and at all times one demanding your very best judgment. You must be frank but in a kindly way. You want all the business you can possibly get—and it is up to you to pass upon it whether it is desirable or not.

When a man becomes slow and the account is questionable—you are the one to diagnose his case and prescribe. Many a bad account has been saved by a little touch of human sympathy, by a little suggestion of how to meet the difficulty—by a little encouragement along the road—thus helping him to help himself. The man buried in debt—ofttimes becomes discouraged, but with the credit man's assistance in the way of small payments at regular times he has been led out of the hole and put on his feet and this possible bad account turned into a good asset for the company. This I have so often seen demonstrated.

A customer applies for credit—accept as a compliment to your company. You are glad to have him on your books and you want his business—that is your first step—whether he is desirable or not—is your second. I have always said—"one new customer beats three old." The old and the new is your growth. And the new will bring new.

In the handling of coal credits in this city, there are certain definite things required.

Let us distribute them into three groups.

First. The summer orders or "fill-ups" secured through a solicitor.

Second. The summer orders secured by phone—or in person at office.

Third. The ordinary winter business.

The solicitor taking an order is required to give a duplicate copy of his order to the person ordering. Then is shown the full name, address, phone, quantity, grade, price. The man's business address and phone number, or where he works. Three references are always insisted upon—and the name of the dealer from whom he bought his coal the previous year. If credit is asked then the solicitor must ask and note on the copy, how he will pay and if to collect—the dates to call.

The same routine is followed in the second



group, except that the copy of the order is mailed to the house.

This method protects in many ways, and eliminates dispute as to price, or terms of payment, and is invaluable to the Credit man in the following up and pushing his collections.

After these orders are Ok'd, references having been verified and credits passed, they stand—otherwise the applicant is notified why his credit was refused and our system of putting all names through the R. C. M. Ass'n and advised the report does not justify our extending credit and therefore we must ask him to pay cash on delivery. Often this results in the party paying for the coal when delivered. Frequently we give the full details of Credit Association report.

Our experience has been that in handling summer in this way, it has been very seldom that we have ever lost such an account and since the Coal Dealers Board was formed, almost without exception we have been able to get a line on these summer "fill ups."

The third group—The winter orders, 90% of which come over the phone are the most difficult because they are far greater in number, and smaller in amounts. 70% of them are cash.

Unless the party is recognized as a credit customer—the assumption is that the order is cash, and so handled with a clear statement that—"You will pay the driver." If credit is requested—we very often state, we would be very glad to extend the favor if you are good—and as before—demand references and the dealer from whom they bought their last coal.

Occasionally a man will be sore and cancel—But I have always figured we were money ahead by not having his order. We take the time to follow up the references and if satisfactory the order is O.K. If not—we always call back—and give the reasons—emphasizing the fact that we followed an invariable rule of putting his name through the Credit Association and received such and such a report, many times that resulted in a C. O. D. order and the business was not lost. Such an instance resulted last November when a Mr. Smith called and ordered five tons of coal. Evidently he wanted to get enough while he was at it. We followed the usual method and found he owed the City Ice \$16.50 for coal last April. We called and told him why we had to refuse and the order was cancelled. The following morning he called again. Said "you coal men have me tied up and as long as I have to pay cash you might as well send me out one ton C.O.D." and it resulted in our selling him all winter on a cash basis.

Then there comes a man who plays his position for credit. This may fool us sometimes, but if we adhere strictly to the rule—put all names through—your chance of loss is small.

Last March a man applied for credit, and when asked for reference replied, "I am Pres. of — Trust Co., send bill to my office." We accepted the order and immediately secured a report from Credit Association showing a frightful record. We called him back, stated his record and requested cash with the delivery. Well, he said, send it out and I'll mail you check this afternoon. We refused that—saying that would be equivalent to credit. Whereupon he wanted to know if we realized his position in the bank!! We told him we did—but his position did not guarantee his account. The result was—we delivered the coal in the morning and his check was there to pay for it before the coal was unloaded. Again we have the man that has *always* paid cash and has no reference. Be very wary of him! Our experience can show you—that was the last ton he needed—and you were expected to give it to him. He is quite apt to be numerous toward the end of the season. There are exceptions to everything and often one takes a chance guided by judgment and the way a man presents himself. But the point I want to bring out is to follow the invariable rule and put through every account offered. This establishes a record for the next man, and can be referred to in the future.

When selling in bulk, and I speak now of the domestic consumer—accounts \$25.00 and up—demand something definite as to payments and make it a matter of record with the order. Do it at the time the order is taken!

Last year, one of the most difficult of years, many worthy people had to ask time. But, without exception we demanded something definite, adopting a guide along this line of a half down at delivery and balance in thirty days, or a third down, balance in thirty and sixty days. Only in a few cases extending this to ninety days.

These accounts were tabulated and if not paid according to agreement the day after due, the party was called and his attention brought to the fact he had agreed to pay and a request he mail check or have collector call. With this system 90% of all such special payments were made as promised. Those that did not, were because of some unusual circumstance. Then again we had the man ordering more coal than he needed at the time. With a fair rating only. In such a case we advised his rating was good, but would it not be better to take one ton and pay for that, and then we would be glad to give him another to help out the situation. This scheme was used and operated very successfully throughout the winter. Then there is the man who owes you more than he can pay at once, but who hesitates to pay part. This is the man I referred to, as the man the credit man can save. To keep him from getting discouraged and thus save the account. Many a time have we suggested paying a little

every pay day. Let him know you are trying to ease him over a difficult situation. Get a promise as to a date and then be there, getting another date at that time for the next payment. An arbitrary attitude may lose the account, while a little patience will save the account. Several times have we collected in full by this method—retaining the trade thereafter on a cash basis.

Then too, let us not forget the man good three years ago may be worthless today and vice versa. One more argument for following the invariable rule.

One other suggestion as to collections and that is when a date is given—be there!! The next day is often too late, for the insurance man came and he got your money.

Fortunately there is not as much of this kind of collecting as there used to be—but the successful collector is the one who arrives the morning of the day set.

Every credit man—each day—should have before him the names of those due on the morrow. In that way he can follow with some system and effectiveness the duties of his office. In our business we have adhered to these rules with wonderful results.

Last year we opened 250% more new accounts than ever before and did more business than the year before. Our loss was 1-16 of 1%. The year before we had a remarkable record of not losing a cent—we collected every dollar due us for the year.

We refused numbers of applications for credits. Possibly we made some mistakes, but after all—when the year is through—Accounts Receivable will stand the test.

The local credit association tells me that the statistics show companies using the credit association as a guide—invariably show a much smaller loss than those running on their own judgment.

Credit is the soul of business. Wisely given and judiciously extended—it is the one vital factor expanding in the growth and progress of every live industry today.

#### "PEPPY" PARAGRAPHS FROM SHAWNEE, OKLA., BULLETIN

A PROBLEM IN ARITHMETIC: A merchant's gross sales on a certain day were \$90.00. He cashed a check that day for \$7.20 and the check was no good. How much was his net profit that day?

"ARE YOU TAKING EVERY PRECAUTION TO SAFE GUARD YOUR BUSINESS WHEN EXTENDING CREDIT? GOOD CLOTHES, GOOD PERSONALITY AND A GLIB TONGUE ARE NO CRITERION OF RELIABILITY. IT IS THE 'PAYING' HABIT THAT COUNTS. GET A RECORD."

"CREDIT WHERE CREDIT IS DUE—PERFECTLY RIGHT AND PROPER: BUT CREDIT WHERE PAYMENT IS DUE—THAT'S A HORSE OF ANOTHER COLOR."

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## Business Building—Relationship of Delinquent Accounts to Store Profits

By National Director, W. B. McConnell  
Secretary, C. A. Verner Co., Pittsburgh

Many of the older credit men in our Association remember the time when the authorizer of retail credits was considered primarily a rubber stamp executive—a necessary evil, and an item of unproductive expense. Happily that period in the evolution of retail credit is past, and the Credit Department, whether presided over by the bookkeeper in the smaller stores, or the Credit Manager in the largest Department Store, has assumed its rightful position and is now recognized as one of the most important units in the store organization, and a tremendous factor in constructive business building.

The granting of retail credit has now been reduced to a science. The modern retail credit grantor must measure up to new standards of efficiency. He is not judged by the number of accounts he declines, but the volume of collectible accounts he placed on the books. By constructive business building he is contributing to the profits of the store.

Sales quotas are established, and to exceed the record of yesterday—last month—and last year is the goal and ambition of every modern business builder.

While not minimizing or depreciating this method for augmenting the store's profits, by increasing the volume of sales with a corresponding decrease in the percentage of overhead expense, the thought arises as to the true relationship between our delinquent accounts and the net profits of the store.

Is our credit and collection policy consistent with true business building principles and contributing its full quota to the store's profits?

A theory which once existed in the minds of many credit men that strict enforcement of credit terms drove business from the store has long since been exploded. It is now a recognized fact that insistence of settlement of bills in conformity with terms of sale will not only create and retain the respect of the customer, but will create for the store a customer who, with that extreme satisfaction which comes only to those who know their credit is never questioned, will feel at liberty to use their charge account continually throughout the year.

In the experience of the members of this Association, how many are carrying delinquent customers who have "temporarily" discontinued using their charge account, and who are paying cash in your store for their requirements? A relatively small percentage—I am confident.

It is the purpose of this article to show

the importance from a business building standpoint, of adopting a conservative collection policy which in the final analysis will pay big dividends in goodwill and actual net profits.

When considering the policy to be pursued in relation to delinquent accounts it will be quite obvious that our attention primarily should be directed towards the chronic and habitually slow-paying customer, who, by his very methods of payment, is tearing down and contributing in no way to the process of constructive business building.

The unfortunate who, by adverse circumstances, is forced into a situation of financial difficulty and embarrassment, is the exceptional case which requires the personal and individual attention of the credit man. In your own experience you will recall in-

stances where consideration, and the true appreciation of that most responsive chord in human experience—human interest—has builded for you and your store an asset in goodwill which, in cold dollars and cents, is incalculable to the store.

As business builders we are therefore naturally interested and concerned with the relationship of delinquent accounts to the net profits of the store. The most ardent supporter of rule of thumb methods will concede that a thirty day account is more remunerative than an account of six months standing, but have we ever stopped to consider the difference in actual net profits of the two accounts?

The following chart is somewhat startling and emphasizes in a striking manner the importance of watching our collection percentages. It also emphasizes the importance of contributing to and receiving the collection charts issued by the Credit Statistical Committee of our Association. Watch closely the average monthly collection percentages of stores in your own group. If your percentages are below the general average—all other factors being equal—then you are not earning as much net profit for your store:

TOTAL SALES				NET PROFIT			Credit Policy Over 6 Month Period on a Basis of following	
Trading Period in Days	Original Investment & Net Profits	Mark-up 40% of Cost	Selling Price 100%	Gross Profit 28.7%	Operating Expense 25.9%	Net Profit 2.8%	Terms of Credit	Loss to Store
Accrued Profits on Basis of Monthly Settlements								
30	100.00	40.00	140.00	40.00	36.26	3.74	6 Mos.	20.91
60	103.74	41.50	145.24	41.50	37.62	3.88	5 Mos.	16.42
90	107.62	43.06	150.68	43.06	39.02	4.04	4 Mos.	12.09
120	111.66	44.66	156.32	44.66	40.49	4.17	3 Mos.	7.92
150	115.83	46.33	162.16	46.33	42.00	4.33	2 Mos.	3.88
180	120.16	48.06	168.22	48.06	43.57	4.49	1 Mo.	
Total								
6 Mos.	659.01	263.61	922.62	263.61	238.96	24.65		
6 Mos. Acct.	100.00	40.00	140.00	40.00	36.26	3.74		
Loss to Store	559.01	223.61	782.62	223.61	202.70	20.91		

The above chart represents a hypothetical investment of \$100 in merchandise for resale. It does not include any investment in store fixtures, nor is any provision made for bank loans to finance the sale.

The percentages used for Gross Profit, Operating Expense and Net Profit are the average of the common figures reported to the Harvard University of Business Research by 334 Retail Shoe Dealers in all parts of the country for the years 1919, 1920 and 1921.

It will be noted from the above chart that the first sale, which represented an investment of \$100 in merchandise, and marked up 40% to give a gross profit of 28.7% on Net Sales, and which was paid within 30 days, returned a Net Profit of \$3.74. This profit of \$3.74 was re-invested in merchandise for resale, and at the end of six months, on the basis of monthly settlements,

the stock turned six times with Net Profits amounting to \$24.65, or a return of 24.65% on the original investment.

On the other hand, if the account had been permitted to stand on the books for the six months period, the original investment would have been tied up for that period, and with but one stock turn, would have shown a potential loss of \$782.62 in sales and \$20.91 in net profits, or a loss of 20.9% on original investment.

The above figures are based, as previously noted, on an investment of \$100, but any multiple of this amount can be used. Figure for yourself what the profit or loss would be on a charge business of \$100,000 on credit terms of 30 days to six months.

Let us be Business Builders in the truest sense of the word, by observing and understanding the true relationship of our delinquent accounts to the store profits.

... "He can't become our debtor until he pays your bill" ...

## We Don't Claim

*To Have*

better attorneys  
better collectors  
better correspondents

*nor, necessarily, a*

better nor more efficient system  
than other collection agencies.

## But Here Is the Test!

They can never have more information on the subject than that which you give them, plus their *past* experience with the debtor, if any.

We have the *cumulative* information of every leading retail establishment in Los Angeles and its immediate vicinity. Real, live, up-to-date information, given when the debtor WANTS CREDIT.

Now if there is anything to  
the saying, "Knowledge is power"  
—who has the edge?

We invite inspection, competition and comparison—whether on one, or a hundred claims.

"You send the claims—if they are collectable.  
we'll send the checks."

## Retail Merchants' Credit Association

300 I. W. HELLMAN BUILDING  
Los Angeles :: California

### THE BROKEN PROMISE

Frequently, promises are made to pay an account on a specific date or within a certain time. The promise does not materialize and naturally the money is not forthcoming. There are too many men who, when this occurs, are prone to condemn the debtor in a very decided way and sometimes anger turns to viciousness.

Now, it is true that, at times, there is some justification for becoming angry at the debtor who does not fulfill his promise especially when he stoops to subterfuge. A man may promise to pay on a certain day; if he is not able to comply with it, he may use tactics that are not exactly "according to Hoyle." One will send a check and "forget" to sign it; another will write a letter enclosing a check and "forget" to enclose the check. Another debtor will write "I promise to send you a check on the 15th, but before I do so will you send me, an itemized invoice because I mislaid your bill" and he usually writes this letter so that it reaches you on the fifteenth.

Some men use clever stunts, are very adroit and there is a certain justification in "getting sore."

The point we want to make clear, however, is that it is most inadvisable to become angry or "sour" against the man who does not keep his promise because it is not conducive to the proper relationship which should exist, even though a man does not keep his promise. And ask yourself, "Is my getting sore going to get me my money sooner?" You can refuse to do business with him but don't get "mad." Above all, remember that MOST MEN ARE HONEST and want to meet their business obligations; and when they make a promise they do so in good faith and expect to comply with it. In ninety-nine cases out of a hundred through circumstances beyond their control they are unable to make good. One thing or another happens—some unfortunate contingency—and presto! try how a man may, he cannot make good.

In the march of business progress let all your relationships be tempered with that spirit of *good fellowship* which makes for good business, give every man the benefit of the doubt, and, above all, give him credit for good intentions. Next time the promise is not performed, ask yourself how would you want to be treated if you promised and no matter how hard you tried you could not keep it.

From Credit Chat

### THE RUBBER STAMP

"Collections can't be very good," said the customer.

"What makes you think so?" asked the Credit Man.

"I notice you rubber-stamped my last bill 'please remit.' There must be a lot of slow pay fellows on your books if you've had to have a rubber stamp made for 'em.'"—Credit Forecast.

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## "The Real Value of Bank References"

By J. W. Lewis, Ass't Cashier,  
Union Bank and Trust Co., Los Angeles

There has been, and still is, a question as to just what is meant by a bank reference—Is it an inquiry for the purpose of confirming the existence of a purely monetary credit based upon, and established by, an actual deposit of money, or is it an inquiry for the purpose of securing information respecting the experience of the bank with the account? This distinction is pertinent, possibly elemental, for the reason that credit is extended in direct ratio to the existence or lack of integrity and security. Integrity, translated into the "will to pay" and security into the "ability to pay" must of necessity be ascertained, and then confirmed, to be of benefit to the retail credit grantor. The mere existence of a bank deposit is of practically no value in determining an applicant's responsibility since such deposit may be withdrawn, or transferred, in a very short time secretly, and with no great difficulty. Again, the deposit may be of a contingent nature, as, for example, when the bank has made a loan and rights of offset exist should the account be garnished.

However, to my mind, the value of bank references is material, particularly when the subjects—individuals or corporations—are concretely investigated and responses carefully made, based on actual ascertainment of facts, and not followed in a cursory way, or along the lines of least resistance.

Character, while an intangible asset, is, to my mind, a most potent and vital factor in the congregation of the various elements justifying credit commitments. Too frequently are the antecedents of individuals overlooked in investigations made by banks of their customers. From my own experience, as undoubtedly that of others, when strangers seek to open an account with the bank practically the only available source of antecedent information, in most cases, is the bank with which they formerly transacted their business. Not infrequently this develops a lead which is of considerable importance in determining the status of the new customer.

Our more progressive banks are constantly striving to "sift the wheat from the chaff" in the business that is offered them, to the end that the mere fact that an individual has an account with such a bank shall be indicative at least of the good moral character of the depositor, particularly where checking accounts are maintained. In the bank with which I am connected, we make it an invariable rule to

investigate the antecedents of all new customers, and with such information, in conjunction with our experience with an account, possess a basis for making due and proper response to all inquiries directed to us regarding a client, and to my mind, this cannot but be beneficial to a marked degree to retailers in extending their customers credit commitment. The retail merchant, recognizing the desire on the part of banks to secure information regarding depositors, which will enable them to extend full confidence in banking relations, derives considerable assurance if able to learn from the bank reference that a new customer is a depositor in good standing in the bank to which he refers. Of course, any information, or even intimation, which banks feel at liberty to give the merchant as to balances maintained, should prove a very definite help, through inference, to the merchant in determining the amount of credit that may be extended safely to a new customer.

Where it is necessary, or desirable, for any reason to make a somewhat exhaustive investigation of the applicant for retail mercantile credit, and the merchant has been definitely referred to the bank by the prospective customer, it is usually the case that the Credit Department of the bank, has available sources of information through which it can develop for the mutual benefit of its depositor and the merchant such information as will determine the measure of mercantile credit that may be extended. This cooperation should be of real value to the merchant and in many cases the information could not be obtained without considerable expense and delay from any sources other than the bank reference.

In the past, the reason why bank references did not rate high in the Credit fraternity, was because of the paucity and oftentimes, vagueness of the information obtainable. However, this in a great measure, has been due to improper or irregular manner of inquiry. By that I mean, complete information. For example, is the account a checking account or a savings account? Is it an account carried under joint control of husband and wife, and is the account maintained at the head office of the bank, or at one of its branches? In Los Angeles with 17 parent institutions and eighty branches, it is indispensable to the bank that complete information be given with each inquiry. There are, undoubtedly, many cases in the past where the banks in answering inquiries have been courteous and accommodating but noncommittal. But now,

through the close cooperation existing between local associations and Credit Bureaus, the bankers more clearly understand their affinity with the retail credit grantor, and they unhesitatingly give all the information that is at their disposal.

Insofar as the retail credit grantor is concerned, I think it is readily conceded that the mere existence of a bank deposit, unless there is other supporting evidence, is not of sufficient importance to enable him to check the credit.

Knowledge of the Bank account, or of the relation of the subject to the bank is in my estimation, essential, and of prime importance to intelligently handle the transaction.

Specifically, the real value of bank references then depends very largely upon the thoroughness with which banks pursue investigation of their customers, and the extent to which they undertake to convey such information to the retail credit grantor, and I am convinced that, through the functioning of our various credit associations, banks more clearly understand the coordinating principles of cooperation between banks and credit grantors, since through our associations we have been able to replace the old feeling of suspicion with one of confidence.

DON'T FORGET! JANUARY 22, 1923,  
IS "PAY YOUR BILLS PROMPTLY DAY"

### MIGHTY IN BUSINESS!



TODAY in thousands of offices and banks "EXCELLO PENS" will be used to carry on the day's business.

You too will realize the daily and hourly worth and value of "EXCELLO PENS" by giving them a fair trial. Order the style you prefer in the "EXCELLO" make, or send for samples at our expense.

"EXCELLO PENS" are plated with silver-alloy made of special heavy quality cold-rolled carbon steel. They are built to write smooth under a heavy hand, and their value is exceptional.

The "EXCELLO" No. 61 ball-point is very popular for general business use. All orders are sold with a guarantee of satisfaction. Write today for the quality pen.



H. F. KRUEGER  
P. O. Box 505 KANSAS CITY, MO.

TODAY IS  
**"PAY YOUR BILLS PROMPTLY DAY"**  
 OF NATIONAL THRIFT WEEK

THE RETAIL CREDIT MEN'S NATIONAL ASSOCIATION  
 SENDS YOU THIS MESSAGE:

*As credit is the foundation of business,  
 so is character the basis of credit.*

A man's credit is his greatest asset. His very standing in his community as a citizen, and that of his wife and children in their circle of friends, is affected by the manner in which he pays his bills.

YOU—whether you live in Portland, Maine, or Portland, Oregon—in Patterson or Kalamazoo; if you fail to pay your bills promptly, you will find that the Retail Credit Men's Association of your town has its eye on you and your record is on its books.

This record is not only spread before the eyes of all merchants of your home city; but should you take up your abode in another city of a distant state, and apply for credit there, you will find that your record has preceded you.

TODAY is "PAY YOUR BILLS PROMPTLY DAY" of National Thrift Week. If you are "slow pay," this is a splendid day to take stock of yourself and your credit standing in your community.

If you are slow pay, make up your mind today to change your system. If you owe bills that are past due, step into the stores where you owe them, see the credit man and make arrangements to pay them at once.

*Do not abuse your credit. Safeguard it as you do your  
 character. This you can do by—*

**PAYING YOUR BILLS PROMPTLY!**

**RETAIL CREDIT MEN'S ASSOCIATION**  
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*Affiliated with the  
 Retail Credit Men's National Association*

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## Modern Methods of Handling Check Situation

*H. J. Burris, Berkson Bros., Kansas City, Mo.*

So far as I have been able to learn, there is no statistical data to show just when the use of CHECKS began. However they followed naturally the growth of civilization, the financial development of nations—and particularly has the use of CHECKS as a medium of barter and exchange flourished in our United States.

In the early Colonial days States, Cities, Corporations and Individuals issued some form of script or order, promising to pay the bearer a certain sum of money. Most of these in reality were nothing more or less than CHECKS for they were written or printed on paper and were payable on demand to the bearer. There being no general financial system at this time to stabilize these issues caused considerable confusion.

After we won our independence from Great Britain and our little nation was confronted with establishing a financial system, there was a man of the hour, as has been our good fortune in all national emergencies—I refer to Alexander Hamilton—that great financial genius—whose record has never been surpassed and I doubt if he has ever had an equal.

We owe our financial system—the greatest in the world—to his master mind. Of course it has been improved upon as our nation grew and improvements were found to be necessary, but to him belongs the lion's share of credit. Who doubts that if he had not found it necessary to defend his honor in personal combat—as was the custom at that time—that he would have given us the great benefit of more of his financial wisdom. Unfortunately a great and useful life was snuffed out when it was most needed—but his memory still lives and while he lies buried in Trinity Churchyard in an unpretentious grave, marked only by a small marble slab—our financial system stands as a beacon light to a distressed world—the greatest monument he could desire.

With the establishment of a sound financial structure the use of checks became more general as the nation's business grew, until today statistics tell us that 96% of the nation's business is done on a paper basis and probably 90% of this is represented by some form of CHECK.

This being true it naturally follows that the retail interests of the country are confronted with a great problem. They are asked and expected to take CHECKS for merchandise and CASH from people in all walks of life. How to handle this situation with a minimum of loss is what we must figure out. Our acquaintance with people and their financial status makes it easy and convenient to handle a large majority of cases.

True to their natural instincts the careless individual, the fourflusher and the criminal have not been slow to see the opportunity afforded them to get in their work through the medium of the check, and it is this element that is becoming a serious menace to the retail merchant—in fact so serious has this matter become it has developed a storm cloud upon the business horizon.

As the use of checks has grown by leaps and bounds, it has become more and more difficult for the merchant to handle the check situation. We are expected to take checks on banks all over the country from people we have never seen before, and to do this with safety to ourselves and yet not offend the customer is a big question.

The public have been educated by the banks, express companies and the postal department, that they positively must be identified before they can cash a check. Just how and why they expect and demand the retail merchant to take their checks without proper identification is a puzzling mystery.

Personally I see no valid reason why they should expect this difference. What's sauce for the goose ought to be sauce for the gander. I believe the fault lies entirely with ourselves. We have been entirely too easy and now that we have let the pigs out in the clover they do not like the confines of the pen any more.

For the near future at least, I would not have you believe I am advocating the strict rules of the banks, express companies and the Postal Department. However I think it is high time the retail merchants take stock of the situation and begin to curb this growing evil which is causing all of us so much trouble and loss.

This trouble has not as yet struck the merchants of the smaller cities and towns as it has those in the large cities, but look out, a single case of contagious disease uncurbed, spreads alarmingly fast and it is your turn next. You may be surprised to learn that the bad check evil is costing the retail interests of the country a huge fortune annually and if allowed to go on uncurbed will in time amount to more than the losses from bad debts to charge customers.

The same evil conditions existed in the credit field until the Retail Credit Men's National Association and its affiliated local Association got on the job. We had a hard time educating our bosses to see the need of our organization, but thank God that is about accomplished and the road of the dead beat and slow pay customer formerly so numerous among us is getting mighty rough. Now that we have these evils pretty well in hand it is up to us to get together and work together as we never worked be-

fore and put a stop to this growing check evil.

First—We must see to it that our states have proper laws to protect us and punish offenders. We can not get these laws by merely wishing we had them. Neither can we get them by individual effort. We must get together and demand them as our right. Then after we get them our job is just as big to see that they are enforced. It is said by many that we have too many laws now—possibly this is true—but how many of them have been enacted for the benefit of the retail merchant?

Second—We must educate the public to expect to reasonably identify themselves.

Third—We must educate those in whom we place the responsibility of O. K.'ing checks. It is pitiable the lack of knowledge that exists among ourselves on checks. Know that the man or woman who has this responsibility is competent to do it. It can not be intelligently done by just any one. It takes years of training to develop a good paying teller for a bank, yet many merchants entrust this work of O. K.'ing checks which is of like nature to just any one and then wonder why they are the victims of so many frauds. If those entrusted with this work have had no training along this line they can not be expected to detect a fraud when it has all the ear marks stamped all over it. Why have the criminals practically ceased their efforts to defraud the banks and centered their efforts on the merchant? Simply because they have found out that the average store offers easy pickings for their many crooked schemes. How can we stop them? With education of those who O. K. checks for us and with prosecution of the guilty when caught.

If you haven't any one in your organization who by training or natural ability is qualified to do this work, it will pay big dividends to have a school of instruction for those you may select and instruct them if you feel qualified to do so, but if not get your banker to assist you. You will find him a valuable and willing assistant.

You will pardon me for mentioning my own institution. I mention it not because we have the perfect plan of handling the check problem, but because we have a system that has proven very successful and because I am more familiar with it than any other. It has been our experience and observation that it is the best we could find. We constantly try to improve it and welcome suggestions and criticisms.

We select the most competent men and women possible for this responsibility. Then we get them together at intervals for school of instruction as before mentioned. We have sample checks and discuss especially the common ear marks of bad ones and teach our people not to look at a check just as a check but to analyze it at a glance. When one of our number has been the victim of a new scheme we unfold the plan to all the rest so that it may not happen

again. A scrap album of the bad checks you have taken makes a wonderful text book. It has often enabled us to detect a former bad check giver sailing under a new name, where they could not or failed to disguise their handwriting.

Those who O.K. checks in our establishment are not allowed to O.K. a check for more than fifty dollars unless they know the customer or they are satisfactorily identified. Up to this amount they can use their own judgment, but with strangers' checks the authorizer if not satisfied is instructed to send the case to the Credit Manager, who is the Supreme Court and whose decision is final.

In no case where the customer is a stranger and not properly identified may they O.K. a check where money goes back to the customer. All these cases are sent to the Credit Manager. In a very large majority of cases those who put over bad checks, try to make a small purchase and get a lot of money back in change. If he sees he must go to some one higher up he gets cold feet. Crooks always like a free passage to the door. They don't relish the idea of going to the office, it's too far from the street and the LAW may be lurking there.

We immediately supply our authorizers with a copy of all fraud warnings from the Credit Men's Assn., the Police Dept., the Post Office, and Express Co., or from any source whatsoever.

We require the address written on the check of both maker and endorser where this is possible but always the address of the party from whom we get the check. We also require the salesperson's number with the authorizer's O.K. This is of great value to get descriptions in case of fraud, for the salesperson who waited on the customer can usually give a better description than any one else.

All checks from strangers that are out of the ordinary, such as travelers' checks, checks or letters of credit, and certified checks are sent to the Credit Manager. Many frauds are put over on stores with these forms and they should be watched very carefully.

In no case is a customer sent to our office with a check by themselves. They must always be accompanied. Not only as a matter of courtesy but after a check is O.K'd. it is never allowed to get back into the possession of the customer. This prevents criminals from learning to duplicate your official O.K. or from raising a check after it has been O.K'd. No cashier is allowed to cash a check for anyone which is not officially O.K'd.

When customers will allow the goods to be sent, checks from absolute strangers for the amount of purchase may be safely taken in the following manner: Instruct the send department to hold up the package until told by you to let it go. If the check is on a local bank send it by messen-

ger to the bank and get a Cashier's Check. Don't get it certified for your action will be known to your customer when he gets his checks back and may offend him. He never knows that you got a Cashier's Check before making delivery of his purchase.

If the check is on an out of town bank, indorse it and send it for collection direct to the bank on which it is drawn, with instructions to pay on signature only and WIRE payment or non-payment. Upon receipt of wire let package go which in few cases has been held over eighteen hours.

It is hardly necessary to say that diplomacy and extreme courtesy must be used by those intrusted with O.K'ing checks. If this is done you need have no fear of antagonizing your customers and they will respect your establishment the more for using businesslike methods.

There may be some who will say this plan will not work out in the very large store. It has worked in the largest department store in Kansas City and will work in a store of any size. The plan is elastic, for if the store is too large for one man to handle you can have a dozen central stations conveniently located throughout the store, each in charge of an expert who has all the equipment necessary to help him in his work, such as telegraph, telephones, city directories and rating books.

## MILWAUKEE ON THE JOB

The Associated Retail Credit Men of Milwaukee have appointed the following committee to handle our National Convention June 19-20-21-22, 1923.

### Milwaukee Convention Committee

General Chairman—Frank Genens, c-o Ed. Schuster & Co. Inc.

Secretary—Fred S. Krieger, Milwaukee Ass'n. of Commerce.

Treasurer—Jessie Cowan, c-o Gimble Bros.

### Committees

Publicity—Fred W. Gerretson, Gerretson Co.

Finance—S. A. Bialecki, c-o Milwaukee Gas Light Co.

Program Arrangements & Halls—H. A. Gibans, c-o Boston Store.

Decorations & Badges—Roy Knapp, c-o Brower Shoe Store.

Reception—Walter Witt, Wisconsin Telephone Co.

Entertainment—Otto Meyer, Fred Miller Brewing Co.

Transportation—David Harlowe, c-o Fischer Furniture Co.

Housing and Hotels—Gustave Miller, c-o Gately Clothing Co.

Exhibits—Chas. Lawler, c-o Famous, 308 Grand Ave.

Civics—J. A. Fetterly, 216 W. Water St.

## The Financial Digest

William Ries, Research Division, New York

*Business was still improving in October*

	October		September
	1922	1921	1922
<b>FINANCE</b>			
1. Bank clearings—increasing			
Total U. S. A.	\$35,200,000,000	29,100,000,000	30,900,000,000
Outside N. Y.	15,600,000,000	13,100,000,000	13,600,000,000
2. N. Y. Stock Exchange Transactions still bigger			
Sales of Shares	25,600,000	12,200,000	21,700,000
Bonds	\$ 364,000,000	347,000,000	295,000,000
3. Dividends & Interest to be spent or reinvested			
\$ 257,000,000	245,000,000	356,000,000	
4. New Incorporations—an increase	\$ 651,000,000	503,000,000	650,000,000
5. Business Failures—an encouraging decrease			
Nos. of Firms	1,700	1,700	1,500
Liabilities	\$ 34,600,000	53,000,000	35,000,000
<b>TRADE</b>			
1. Mdse. Export—larger	\$ 372,000,000	343,000,000	317,000,000
2. Cotton (bales)			
Domestic Consumpt.	533,000	494,000	495,000
Export	798,000	874,000	368,000
	1,331,000	1,368,000	863,000
3. Silk Consumption (bales)	42,000	26,000	34,000
4. Pig Iron Production (long tons) more than doubled	2,600,000	1,200,000	2,000,000
5. U. S. Steel Corp. Unfilled Orders much larger (tons)	6,900,000	4,200,000	6,600,000
6. PRICES—higher than last year			
25 Industrial Stocks, aver.	111.25	75.43	107.02
25 R. R. Stocks, aver.	68.53	53.51	68.70
Cotton, N. Y. (lb) Wholesale	.228	.197	.215
Wool, raw (lb) Wholesale	.316	.158	.316
Silk, raw (lb) Wholesale	8.330	6.027	7.64
Steelbillets Wholesale	40.00	29.99	39.20
Coal bit. at mine Wholesale (short ton)	4.38	2.33	5.04
Wheat No. 1 North Wholesale Chicago	1.17	1.29	1.12
U. S. Government			
Ordinary Receipts	290,000,000	220,000,000	
Expenditures	400,000,000	290,000,000	
	1922 September	1921	
Railroads Net Earnings	91,000,000	120,000,000	

# Art, Science and Common Sense

Wallace C. Stoneman

O'Connor Moffat & Co., San Francisco

"Art is the beautiful way of doing things. Science is the effective way of doing things. Business is the economic way of doing things."

—Elbert Hubbard.

—all of which is food for thought and may start a new argument or be a cake of yeast added to the old mixture to give it new fermentation.

Art, science and common sense—also there seems to be the further complication of asking the credit man to demonstrate his right to exist. We all need a good deal of the first—art—which is exemplified in our work through the entire gamut from ordinary courtesy when taking the credit application, to the brotherhood-of-man practice when our customers meet with reverses.

Science has little or no place in retail credit extension; that is, "cold science," such as has been quoted "knowledge reduced to law and embodied in a system." Science, in its generally accepted meaning, has never attempted to reduce to fixed laws the reactions of human emotions. When science enters that particular field it loses its identity and even its name and is called psychology, the study of the human mind.

If we call our particular science psychology, well and good; it has a very important place in our work and too few of us know enough about it. Its laws however are not absolute and fixed but give a general result which may be located somewhere on the scale between its extreme poles, which are positive and negative. The importance of knowing whether the result is positive or negative is as important as knowing whether an automobile is going forward or backward, a very simple thing, and yet quite necessary if there is a destination in view and an accomplishment to achieve.

Science can tell us the exact day and hour on which Halley's Comet will appear again after whirling through space for seventy-six years, or it can give definitely the horsepower a certain number of British thermal units will generate in a Corliss engine, but it can not tell us the calorific rise a given remark will cause in two individuals, or even the result or reaction the same remark or letter will cause in the same individual on two different days; he may have closed a very successful business deal one day and lost heavily in a poker game the next. Science is very accurate and dependable when dealing with matter and inanimate things which under similar conditions have performed much the same since creation (if we accept the proofs given to us by the comparatively short measuring stick reaching back to the dawn of civilization and earliest

recorded knowledge). But the reactions of two individuals are never the same, because there never has been, are not, and never will be, two human minds exactly the same. Science invents nothing new; it merely discovers heretofore unknown combinations.

## Physiology and Pathology

Physiology is the study of the functioning of human organs under normal health conditions. Pathology is the study of the same organs in a diseased body. Quite a difference when one considers the various and different kinds of ailments. The manner in which the organs are functioning is evident by external visible signs, as discolored skin in jaundice or irregularities in the pulse, temperature or respiration. What has all this to do with retail credit? A great deal. The ailments of our customers are also indicated by signs, but the question is: Will rules and regulations made for customers in a normal condition be applicable to those customers in an abnormal or subnormal condition? The physician does not have ten thousand patients on his itinerary; neither does the credit man. The great majority of credit customers move along serenely with only an occasional epidemic of colds (low percentage of turnover) which must be given general treatment.

Those in a pathological condition from a credit viewpoint, due to illness, death in the family, strikes, unemployment, changing positions, business depression, poor collections, or unusual expense caused by babies, visiting relatives or buying a home, must be diagnosed and prescribed for separately and individually by the credit manager and there is no science that does or can give us a set of rules to follow.

## Credit Common Sense

Let me repeat "Business is the economic way of doing things." We have credit departments and credit managers because it is a good business proposition for the merchant. Which is to say it is the most economic way of doing certain things. The accomplishment is a greater volume of sales which means a more frequent merchandise turnover, a minimum of dead stock and a maximum of fresh salable merchandise. This, in turn, means that customers will find what they want in the store and satisfied clients are the life and blood stream of the business. The credit department also makes possible an exceptionally large and reliable mailing list of customers for the best method of advertising—the direct, intensive, personal appeal.

When from 25 to 50 per cent of sales flow through the credit department, it seems to indicate that retail credit and credit supervision is of some importance. It is not a necessary evil; it is a product of evolution. If this great machine could be operated without a head, as has been intimated, it would soon develop the tail of a dragon that would coil itself around the finances of an institution and squeeze it as flat as a ripe tomato in the spoor of a five-ton truck. A favorite indoor sport among perfectly reliable and well-meaning sales people and floor men seems to be to insist that the "old cash customer" open a charge account. It is sometimes worth the trouble and delicate situation involved, to call him or her to the credit office a few days later and see the look of astonishment when the credit report is read. There is sometimes a good reason why customers pay cash and it's a pretty good rule to leave well enough alone as long as they are satisfied. The chances are they would all be on the books without careful credit supervision, and also on the books of every other merchant in the city.

We are told that about 3 per cent of total sales is allotted for advertising expense. If this is true, the converse must be equally true; that is, to produce a certain volume or to increase total sales a proportionate amount would have to be expended in some form of advertising. If, to take a hypothetical case, cash and credit sales were equal, and it was decided to discontinue credit business, it seems reasonable to assume that it would be necessary at least to double the advertising expense to reach and maintain the same volume. This would mean an additional 3 per cent for advertising. The average credit department expense, according to the report of the last national convention, is about 2½ per cent. This, therefore, seems to resolve itself into a very simple mathematical problem as to whether or not the credit office and credit manager is entitled to exist. If the credit department were to operate automatically (as an experiment) without supervision and with the customer as the sole judge as to how much he ought to buy, and how and when he ought to pay, it might be interesting to consider that 80 to 85 per cent of credit office expense would obtain just the same to give the customers service. It is surprising how easy it is to charge off \$10,000 or \$15,000 a year and a pretty fair credit manager can be employed at that figure.

We all hear a great deal about the old customer. Long may he wave! He is the vertebrae and main spring of an institution even though he seems to develop intermittent paralysis over long periods of time when it comes to writing us out a check. But after closely watching over 1000 new accounts, I have concluded that the new customer is also entitled to some consideration. The exact number is 1116 accepted accounts, of which 1016 or 91 per cent, paid



in thirty days and less; 55, or 5 per cent, took from thirty to ninety days, and 45, or 4 per cent, did not use the account. Of the total number it was necessary to restrict 2 per cent due to tendency to exceed the set limit and 2 per cent were placed in collection. Incidentally, 26 applications, or 2.3 per cent, were declined during the same period. If these figures and percentages are a fairly accurate barometer of new accounts, the question immediately arises as to why the credit man finds from 10 to 25 per cent of his accounts in collection or under careful supervision. There are good and logical reasons for this condition. However, this interesting subject is too long for discussion here.

Elbert Hubbard also said, "Give us a religion that will help us to live; we can die without assistance," which may be slightly modified to read, "Give us a credit system that will help us to serve the great mass of normal beings, we can easily weed out those who do not belong."—From *Credit Echoes*.

#### ONE WAY TO HELP COLLECTIONS

Owing to the large amount of publicity given National Thrift Week, and **PAY YOUR BILLS PROMPTLY DAY, JANUARY 22, 1923**, members could include in their collection letters a reference to this day, and its teachings. It being a national movement, customers will not take it as a personal dun.

### For Quick Returns



### Coin Mailing Cards

Here is something you have felt the need of for some time. The nature of your business necessarily involves many small accounts that will be readily collected by enclosing these cards to customer as a safe convenience in remitting.

A most potential factor in building up and stimulating mail-order trade, and in many ways rendering a service indispensable to your business. Used by the most progressive firms everywhere.

*Samples on Request*

**John N. Spies,**  
Patentee and Manufacturer  
**Watertown, N. Y.**

## A Few Remarks by "Bill"

*W. H. Gray, Secretary, Cleveland Retail Credit Men*

What necessitates the operation of a retail credit exchange, such as is maintained by the Cleveland Retail Credit Men's Company? The necessity to protect credit grantors against those who seek to abuse the privilege extended by retail establishments and professional men. Likewise it provides a clearing house for the first-class credit risk, to which ready reference may be had at all times. It serves as a barometer to "pay habits" and is of equal aid to the buying public and the seller.

How is the individual bill-payer treated? The one who has kept his agreements is given a clear track while all must stand upon a record of their personal creation, be that good, bad or indifferent, in meeting obligations.

Do many people try to dodge their creditors? No. Ninety-nine per cent of the people are honest. The other 1 per cent are just dishonest, careless or plain foolish.

Isn't it a fact that a charge account leads people to buy beyond their means because there is no direct cash outlay? It wouldn't in my case. Just because the account is there is no reason for me to gamble on it any more than I would on cards or a horse race.

Isn't your judgment likely to be prejudiced because of your connection with the work? I think not. My policy is based on ordinary horse sense.

What type of person buys a \$20 hat when she can afford only a \$7 one? One of those belonging in the one per cent class.

With this board holding the facts on all those having credit, how is the stranger to get started? He must furnish some good references from people of standing in his own town.

Have you had experiences with dead-beats? Yes. But they are few. Most people want to do the right thing although they often do the foolish one.

What do you do in those cases? We try to be lenient and help the victim along. The retail credit company is a mechanical institution with a heart.

How can you tell when a person is honest? Knowledge of human nature and intuition.

Is it true that you have no hobby? None but my home and children.

Is your son going to get his training in a newspaper office as you did? Some of it, perhaps, but he is going to college.

What advantages has the college education over the self-trained? It gives a person knowledge of fundamentals and trains him how to think.

In what manner have you felt the need

of a college education? College men who worked beside me in a newspaper office wrote easily and fluently while I had to dig it out with a pick and shovel.

Isn't newspaper training the best there is? One of the best. I wouldn't give mine up for anything, but the mind must be trained to use its knowledge.

Are women more extravagant than men? No. Some of the men I see on the streets are greatly more over-dressed than many of the women.

Which sex spends more money? The women, perhaps. They have to because the styles change so rapidly they must buy new clothes to keep up. A man can wear the same suit two years without being a back number.

What quality is necessary for success in your position? Justice.

What is necessary for financial success? Good judgment and horse sense with a lot of thrift.

What appliance would you recommend? Saving. I save regularly every month even though it is only fifty cents. Paying bills and saving is a matter of honor and habit.

What have you mapped out for your daughter to do? Nothing but play, to date. Do you play golf? No. My nose has been to the grindstone.

Why don't you? For the same reason I drive a flivver instead of a Packard.

Do you approve of women being in business? It's none of my affair as long as they are efficient.

Do you consider them efficient? Assuredly, in their own lines. Women can do many things a man can't, but every man should be able to sew on a button.

Could a woman hold your job? Certainly.

What is the best training against extravagance you can suggest? Serving an apprenticeship under me.

**DON'T FORGET! JANUARY 22, 1923, IS "PAY YOUR BILLS PROMPTLY DAY"**

**FORT WAYNE CONDUCTS PAY YOUR BILLS CAMPAIGN.**

The Retail Merchants of Fort Wayne, Indiana are conducting a 24 week **PAY YOUR BILLS CAMPAIGN** by running an attractive advertisement in the daily papers each week. The campaign has been in operation only three weeks, but collections have already improved. Mr. V. H. Lodde, Secretary of the Credit Rating Association of Fort Wayne will be pleased to furnish copies of the advertisements used to any member.



## Collections

By H. A. Gibans, Credit Mgr., Boston Store, Milwaukee

### Digest of Address at Wisconsin State Conference at Milwaukee

The matter of collections in my mind is important and as vast as that of credit granting.

The collection man must remedy the mistakes that the credit man has made in addition to the regular routine collections and must do it in such a way as not to offend the customer, because if every account which goes on collection becomes hostile by reason of improper collection methods it will not be long until almost your entire list of accounts will have been disposed of in this way, as there are very few accounts which do not require attention from the collection man at some time.

An incompetent or untactful collection man can do more harm in a day than all your soliciting and advertising can accomplish in months. A collection man must be courteous though forceful and have individuality.

#### Methods of Collection

Now as to the methods of collection: First, you send out your bill. This is a demand. This is followed in the regular routine of business by a statement on the first (1st) of the following month and if payment is not made within a reasonable time thereafter, the account is then said to be on "collection." The methods to be followed from then on depend entirely upon each individual case. Of course, you want to impress upon everybody that payment of your accounts is to be expected by the tenth (10th) of the month following purchase, if these are your terms, and it is unwise to permit "pet" accounts to openly and continuously violate this rule. Of course, if you are to refuse to sell to anybody excepting on these terms each time a purchase is made you will not do much business. You must make concessions here and there but they should be granted as a particular favor and not as a matter of right, and the customer must be made to understand that you are making a special exception in his particular case.

I shall touch briefly on the matter of Form Letters. Personally, I do not like them and they are used very little in our office. You will find that a number of customers make it a habit to get in arrears in their accounts and become habitual offenders, and if they keep getting the same Form Letters each time they do this they have no effect whatsoever. In addition to this, the sending out of Form Letters is usually left to a typist or a minor clerk in the department who is apt not to use the best judgment as to the proper form for the different accounts. It is difficult to construct a Form Letter which will fit all cases, and as long

as you have to pick out the letter you are to use you may as well write a short letter which is more effective and which will show your personality.

When you get a promise to pay on a certain day you want to be right on the job that day. If a man tells you to have your collector call on the 5th—do not send him up on the 4th or on the 6th but have him go right up on the 5th so that there will be no alibi to offer. If you go on the 4th they will tell you that they haven't the money yet and if you go on the 6th they will tell you that they expected you to call on the 5th and when you did not call they tell you they used the money for something else. If a man promised to send you a check on the 15th, write him a note the 12 or 13th reminding him of his promise and you will find that very often the payment will come in which would not have had the debtor not known that you were "right on the job."

The time to make a good account is during the early stages of it. If a customer is given to understand right at the outset that he is expected to pay his bills promptly you will find that he will do so and become a good customer, but if he is permitted to become careless in the payment of his account without protest you will find it hard to correct him.

#### Collection Through Attorney

I will now touch upon the matter of collections after they go into the attorney's hands.

After the attorney gets the account he pursues the regular course of writing a letter or two and when no satisfactory results are obtained he institutes litigation.

After you obtain your judgment, the demand is made of the debtor for payment of the amount due with interest and costs and if payment has not been made an execution is issued. An execution is a writ delivered to the sheriff under the authority of the Court directing him to levy on any property of the debtor not exempt from execution. The debtor is entitled to claim as an exemption, household goods or other personal property to the value of \$250.00. The Sheriff will merely make a demand and if the debtor states to him that he has nothing the Sheriff will make a return to the court showing that the execution is returned unsatisfied. It is then that the law will give the creditor much protection by having what is known as "Proceedings Supplemental to Execution." An order is obtained from a Court Commissioner upon proper showing and this is served upon the debtor, requir-

ing him to appear before the Court Commissioner at a certain time to answer under oath as to his personal property. The debtor can stay away from court and you can get your judgment by default. He can refuse to divulge the nature of his property to the Sheriff but when he is served with a Supplemental notice he must appear; should he fail to do so a body execution will be issued by the Court Commissioner; he will be adjudged in Contempt of Court and placed in jail until he purges himself of the contempt.

#### SOUTH BEND, INDIANA

Miss J. Van Wert, Manager of the South Bend Credit Association, South Bend, Indiana, is to be complimented upon the excellent record made during the past year. Her annual report shows a gain of 300% in memberships and the furnishing of 9043 reports in addition to compiling 30,000 individual records.

#### MISS NAOMI NELSON

Those who attend our national conventions and state conferences will be pleased to learn that Miss Naomi Nelson, the "Live Wire" Secretary of the St. Joseph, Missouri, Association has accepted a position as Secretary of The Retail Merchants Association of Muskogee, Oklahoma. Because of her past record we feel sure the merchants of Muskogee will know they have a "real" Secretary when Miss Nelson gets on the job.



## Retail Credits—Economically Sound?

*L. I. MacQueen, Ass't Professor of Commerce  
University of Pittsburgh*

From the point of view of business, credit is extended to facilitate the sale of goods. As to its advisability where the manufacturer sells to the jobber or where the jobber sells to the retailer, there seems to be little question. The credit is looked upon as protected by the goods and liquidation is expected through their sale.

But when retail credit is discussed, it is an altogether different matter. No resale is involved; the credit is not self-liquidating—hence the conclusion which is frequently drawn that credit extension by retail dealers is unsound and unjustifiable. However, a recent writer on the subject has gone so far as to admit that "retail credit is a convenience."

Is there no stronger defense than the mere "convenience" of the system? Or must we fall back on the stock argument that credit customers buy more than cash customers? Is retail credit only a bait to increase the volume of business, or is it an integral part of a far-reaching process?

There appears to be a growing tendency to make a clear-cut differentiation between the various types of credit. A considerable body of literature has accumulated dealing with bank credit and with mercantile credit together with a lesser amount dealing with retail credit. The result has been that credit, as extended by a bank, has come to be regarded as a wholly different thing from the credit extended by a wholesale house to a retail dealer and even more distantly removed from that garden variety of credit represented by the perennial grocery bill. The conception of credit has become static because of this attempt to pigeon-hole each extension in a different compartment and to ignore any connection which it might have with preceding or subsequent transactions. The technique of the credit manager should be different but credit is credit whether extended by a metropolitan financial institution or the general store at the cross roads.

Is it not more in accord with the fact to say that credit as used in business flows in a circle—that a process of distribution and concentration is constantly present, each step being indissolubly bound up with the one preceding and the one following.

This can be more readily observed if a single credit extension is isolated and the entire procedure examined. To do this assume that a manufacturer borrows from his bank the sum of 100,000. This amount is used for the purchase of raw material from which his finished product is to be made. The manufacturer in turn sells his goods

to ten wholesalers. The original credit is now well on the road to distribution and each wholesaler may be considered as possessing \$10,000 from the bank for working capital.

Each jobber may pass on these goods to fifty retailers and the credit becomes distributed into five hundred hands, each holding \$200 of the original bank credit.

The retail dealers—five hundred of them—sell the goods to one hundred customers each. The basic credit of \$100,000 is now in the hands of fifty thousand consumers—each consumer owing the bank, indirectly, the sum of \$2.00.

The distribution of the credit is now complete and the process of concentration begins. The retailers collect \$2.00 here, there and everywhere and pass the cash on to the wholesalers, who relay it to the manufacturer, who finally liquidates the credit. The concentration is complete and the cycle can begin again.

The manufacturer received credit in the first instance because he expected to sell the goods. The same is true for the jobber and retailer. But when we reach the consumer, must he pay cash?

Do we not lose sight of the very fundamental fact that we are all paid in things—goods, shelter and services—and that money is only an intermediary, necessary at the extremities of the productive process?

If credit is extended to the jobber or retailer in order that he may have time to sell the goods, should not credit be extended with equal merit to the consumer in order that he may have time to sell his services?

It may be objected that every consumer ought to have enough capital to finance his current needs. Should this be granted, then it is equally true that the merchant should have enough capital to cover his current purchases, and so on down the entire chain, thereby eliminating all credit.

The credit follows the goods and it is obvious that the process is not complete until the goods produced have been paid for by the consumer. If, then, in every previous step time is allowed for a transfer to be made, why is it not equally justifiable to continue to the end of the cycle where the utilities of the goods may be transformed into cash through the channels of labor?

It is true that the consumer might use up the goods and then waste the wages intended for payment in amusement or otherwise divert them from their proper direction. This argument has weight largely because the mistakes and shortcomings of the

consumer are more obvious and more easily understood than are those made by the manufacturer, jobber or retailer. Occasionally, a manufacturer may secure credit to produce an article which he later finds will not sell; a jobber may overstock a retailer with an undesirable line of goods; a retailer may entangle himself with an unproductive side-line. Such errors, because of the magnitude of the sums involved, are far more injurious to credit than the losses due to the diversion of wages intended for the liquidation of an obligation. They are, however, not so obvious to the man on the street.

Naturally the technique involved in the extension of credit in the various steps of distribution is different. For the bank, the unit of credit is greatest and the real risk is widely distributed since for ultimate payment the bank must look to the extreme end of the process. In addition, the element of personal service entering into the transaction is small, relative to the amount of money involved, and the profit is the least in the entire process.

The position of the retailer is quite different. The unit of credit is small and the profit is large as would be expected where the element of personal service is so prominently a part of the sale. The retailer, also, is the first to receive payment when the in-bound movement of cash is begun.

These differences, however, should not obscure the fact that all credit is a flow—a cycle of two movements. The outward movement of goods until they reach the consumer; the exchange of goods for services by the consumer and then the in-bound movement of money until the credit is liquidated. In this cycle, the consumer occupies the key-position and only in so far as he is able to transform his services into money is any part of the credit structure sound. That the credit should continue until he has had time to effect this exchange is only the logical and consistent conclusion.

### NASHVILLE ACTIVE

The Associated Retailers of Nashville, Tennessee, held the largest meeting in their history on November 21st. It is evident that the merchants of that progressive southern city are working in harmony on matters of store policy. Miss Sadie Hartman who has been Secretary of the Association for only a few months, has succeeded in arousing great interest in the work of the Association, and the Credit Rating Bureau, under the management of E. C. Harlan, although less than two years old, has 250 subscribers.

Mr. K. F. Niemoeller, Secretary of the Associated Retailers of St. Louis and D. J. Woodlock, Secretary of the Retail Credit Men's National Association and Mr. R. H. Poindexter, President of the Credit Bureau were the speakers of the evening.

## Credit Bureau Service

By A. A. Billingsly

Secretary Retail Merchants Association, Fort Worth, Texas

When a prospective credit customer comes to the credit man he or she is required to answer a number of questions regarding age, size of family, occupation, residence, earning capacity, where he has lived for as far back as necessary, etc., etc. Also what property, if any, they own, from whom they have bought on credit in the past; and any other small matter which the credit man deems necessary.

After the credit man has gathered all of this information, just what additional does he need on the subject? If he gets from the bureau or agency a statement of where applicant has lived, his occupation and how he has paid his bills in the past, what else does he need? With the exception of special instances, I do not see what more he ought to require from the bureau or agency. With the information which the applicant has given him, corroborated or otherwise, as above, by the bureau; any ordinary credit man ought to have enough information on the case to enable him to determine whether or not to grant credit to the applicant, and also how much to allow him.

Some bureau managers undertake to advise the credit man. In my opinion this is unnecessary, and an unwarranted liberty on the part of the manager. If he runs his own business, gathering information for the credit man, he has done his part; and the credit man should be allowed to manage his own office without dictation from the bureau.

In the case of wholesale credit men, where the amounts involved, generally speaking, are so much larger than in the retail trade; and where the laws affecting business and individuals are so different, it is of course necessary to get additional information. But even then what the wholesale credit man asks of the Interchange Bureau is "How long sold," "Highest Credit given," "How he pays" "What does he owe now and "How much past due." The wholesale credit man also wants to know what property the applicant owns, a statement from his bank, etc., etc.

As a rule, this is not necessary in the case of a retail customer. If no one were allowed credit unless he could pass the examination required by a wholesale credit man, then more than ninety per cent of the credit customers of the retail stores would be cut out.

Again, the retail merchant is not in the banking business. When he gives a customer credit, he is in fact lending him just so much of his capital. He does not expect to have the account carried too long; and does not want to charge interest. If he depended on the interest he would be a

banker, and not engaged in the mercantile business. Consequently, what he is most interested in is whether the customer will pay promptly, rather than his responsibility, or his tangible assets. Of course, the latter may be a factor in the case of a customer buying in large quantities and when his account will run up abnormally. That though, is one of the special instances which I referred to, and in those cases the bureau can get additional information, to be paid for as an extra. But this will not happen once in twenty times. Many wealthy men have extravagant wives, and it is hard to collect from them. But the larger percentage of the working people—those who are by far the larger portion of the credit customers of a retail merchant,—do not buy more than they can pay for out of their regular salary or wages.

Consequently, I hold that all that a bureau need furnish the credit man, under ordinary circumstances, are the residence, occupation, how long he has sold, and how he pays the different merchants with whom he has had credit dealings. All else, ordinarily, are non-essentials; and need not be gathered by the bureau. If additional information is gathered on all subjects, whether asked for or not, the bureau will be compelled to charge its members an abnormally high rate, unnecessarily.

It so happens that at our State Convention, held at Fort Worth last month, this matter was discussed by Mr. Oesterman, the Credit man of Titche-Goettinger Company of Dallas, Texas; and he took exactly the same position that I have taken herein.

In this connection, and I think that it bears somewhat upon the subject of this paper—the direct interchange of information between merchants. As I see it, the proprietor of the house wants the credit man to get the best service he can in his department of the business. He does not limit him to what he has to pay for the service. What he wants is the best. When the credit man undertakes to try and save the house sixty or seventy-five cents by writing direct to the references, it is a "penny wise" act on his part, which is not required of him by his employer; and at the same time is a dangerous one. He can assure himself that the customer will not give as reference any one except that merchant who cannot give him other than a satisfactory record. This business of the eastern and northern credit men writing direct to the "out of town" merchants is fundamentally wrong. Suppose you make just one bad credit risk of \$300, that one will pay for one report for every day in one year at the rate of one dollar per report. And where do you

make a saving? If you write a local merchant expecting to save time you will be disappointed—most credit men will leave such inquiries unanswered until they have more time which will probably be several days later.

Get your credit information through the regular channels—the bureaus. And if your local bureau fails to give you quick and accurate service, take steps to make a change in the management of that bureau. It is the duty, and also should be the pleasure of such bureau manager to see to it that quick and full information is provided to his members. At the same time, in justice to the manager of the bureau, if you are not receiving the service which you think is satisfactory, go to him and make a formal complaint, so that he may be able to locate the trouble, if any, and remedy it.

DON'T FORGET! JANUARY 22, 1923,  
IS "PAY YOUR BILLS PROMPTLY DAY"

### FROM BULLETIN OF WACO ASSOCIATION

A gentleman who had purchased a suit from his tailor asked about two months later, why a collector had never been sent for the amount due, and the tailor replied, "We never ask a 'Gentleman' for money." The man then asked, "How would you get your money if I didn't come in to pay you?" and the tailor said, "Well! if you didn't come in and pay it before 60 days, we would conclude you were no 'gentlemen,' and THEN we would send a collector."

### A RESOLUTION BY RETAIL CREDIT MEN

"Whereas, customers and merchants can best be served by telling the applicants for credit of the exact conditions of their credit record: *Therefore, be it resolved* that the Associated Retail Credit Men of Texas, approve the policy of telling customers their standing and impressing on the customers that this record must be straightened by paying unpaid accounts before credit can be obtained."

### THE NEWEST BOOK OUT ON COLLECTIONS

#### "101 BEST COLLECTION LETTERS"

Reduces the collection of accounts to a science. Based on laws of psychology. A letter or paragraph for every case. Used by Merchants, Credit Men, and Collection Specialists everywhere. Contains valuable information. Price postpaid, \$5.00.

Published by

**UNITED CREDITORS  
OF AMERICA**

Department C

**SPRINGFIELD, MISSOURI**



# OPEN LETTER TO THE MEMBERS OF THE SERVICE DIVISION AND THE SECRETARIES OF LOCAL RETAIL CREDIT MEN'S ASSOCIATIONS

A Special Request for Your Heartiest Co-operation in an Effort to Give Publicity and Advance Information on Bad Check Operators for the Purpose of Protecting the Retail Merchants of the United States.

As you know the general office of the Retail Credit Men's National Association in St. Louis is issuing bulletins on bad check operators giving the necessary advance information for the protection of retail merchants throughout the country.

You are requested to notify the office of the Retail Credit Men's National Association of every case of a check operator or any other professional swindler defrauding the retailers, excepting those of a local nature, giving full descriptions of the party or parties operating, also descriptions of the checks and also explaining the methods of operation. This information will be published in the regular bulletins and every Secretary or Manager receiving these bulletins should distribute this information without delay to his members and subscribers. It is this kind of advance information furnished by your office which makes your bureau or agency most valuable to your members and subscribers and will demonstrate to them the efficiency of your system. We ask every member of the Service Division and Secretaries of local Associations to consider themselves a part of this committee and to help along in our effort to make this service one of the most valuable services rendered by the National Association.

In concluding we wish to thank everyone of the many members who have answered our letter of October 20th in regard to this same matter and who have pledged their co-operation and support.

Yours very truly,

Adolf Grasso, A. D. McMullen,  
L. S. Gilfillan, J. R. Truesdale,  
J. W. Metcalfe,

Fraudulent Check Committee.

## COLLECTION STICKERS

To go on your bills or statements to debtors. No bluffs, no threats, no antagonism created. Speed up collections.

WRITE TODAY FOR  
21 Different Samples Sent Free

E. J. HESSE  
P. O. Box 264 Hartford, Conn.

DID YOU EVER STOP TO THINK THAT satisfied customers are the greatest asset a business can have. THAT courtesy, service, price and quality merchandise keep them satisfied.

THAT ADVERTISING BRINGS NEW CUSTOMERS.

THAT the up-to-date merchandiser who advertises gets them.

THAT a merchant who does not keep up-to-date loses them. KEEP UP-TO-DATE.

THAT the persistent advertiser can always say "BUSINESS IS GOOD AND GETTING BETTER."

THAT the progressive, up-to-date citizens who believe in their city and work and boost toward making it a better city in which to live and make a living, are the ones who make better business.

THAT they read the advertisements and believe in buying from the live merchants so the home money can circulate through business channels and work for the whole community.

THAT these citizens and the big up-to-date business men are the leaders in a Chamber of Commerce. They are active members, not for the benefit it might be to themselves alone, but for the benefit it will be to their city.

THAT they realize that what benefits their city benefits the citizenship in general.

THAT TO BE KNOWN AS A LIVE, UP-TO-DATE CITY BRINGS MORE BUSINESS.

E. R. WAITE, \*

Secretary.

SHAWNEE OKLAHOMA BOARD OF COMMERCE.

(Copyright, 1922, by E. R. Waite)

### "THE LITTLE THINGS"

The little things  
That make life sweet  
Are worth their weight in gold,  
They can't be bought  
At any price  
And neither are they sold.

A little rose  
A little kiss  
From some dear one we know,  
Drives care away  
And helps us on  
Our journey as we go.

The little smiles  
The little songs  
That cheer us up each day,  
Are but a part  
Of God's great art  
To help us on our way.

### SOMETHING ABOUT CREDIT

By Max Meyer, Nebraska Credit Co.,  
Lincoln, Nebr.

In almost every American city there is now quietly at work some organization established for the giving out of retail credit information to merchants. These organizations—some merchant owned and some privately owned—are now quite generally known as Credit Service Exchanges. Their mission is to compile all possible information bearing on the credit standing of individuals and to disseminate the information by means of telephone reports and rating books.

Making a central clearing house for the credit facts and data of the community serves two purposes. First, the standing of desirable individuals is established, and second, the merchant is protected from the operations of the undesirable credit risk.

When it is realized that about 90 per cent of the retail business of the country is conducted on a credit basis, it will be seen that it is vitally essential that credit losses are reduced to a minimum. Without a central reporting organization losses of the merchants average 3 to 5 per cent. With a well established Credit Service Exchange losses are only a fraction of 1 per cent.

The work of retail credit reporting goes steadily on in periods of inflation and deflation, good times and bad. Each day many hundreds of facts and reports are compiled and fitted in their proper positions in the serving the credit manager, and through him, the merchant and the public.

### THE FAMILY BUDGET

Credit Men realize the value of the Budget System as applied to Government, State and Civic affairs, and the Retail Credit Man should be very much interested in the movement to encourage the Family Budget. A large percentage of our slow and doubtful accounts are a result of extravagance or contracting debts in excess of income. Therefore the family operating upon a budget is a better Credit Risk.

As many persons are not familiar with the Family Budget idea, we consider it an excellent idea for the Retail Credit Man when taking an application for an account to ask if the family operate upon a budget, this will put the thought into the mind of the applicant and tend to develop the budget idea.

Some day not far distant a copy of the Family Budget will be necessary to the Retail Credit Man as a financial statement is to the wholesaler.

Don't Forget  
January 22, 1923

IS

"Pay Your Bills  
Promptly Day"

# Addresses Wanted

- Aggson, J. W., Newton Kans. Last heard of Oklahoma City, Okla.
- Aiton, Oscar or Austin, Evansville, Ind. Machinist, engineer or janitor.
- Akud, John D., Paris Tenn. Box 109, also 333 S. 12th St., Lincoln, Neb., 5401 Dresden Ave., St. Louis, Mo.
- Albright, H. I., Newton, Kansas. Paper Hanger and Painter understood gone to Kalamazoo, Mich.
- Alexander, S. E., Newton, Kans.
- Alexander, Cecil, Newton, Kansas.
- Alden, W. J., Belpre and Newton, Kansas.
- Anderson, M., 772 St. Nicholas Ave., New York, N. Y.
- Arçello, Sam, 1427 E. Evans St., Pueblo, Colo. Laborer.
- Avrit, Daniel, Columbus, Ga. and Birmingham, Ala. Machinist.
- Bahr, Albert E., 1608 M. St., Lincoln, Neb.
- Bailey, Claude E., 1824 N. Claiborne Ave., New Orleans, La. Foreman Maginnis Cotton Mills, and Alden Cotton Mills.
- Baker, W. R., Eldorado, Ark. R. R. man.
- Baldwin, Geo. A., 12 West 20th St., New York, N. Y.
- Barnowski, Martin, Newton, Kans. Last heard of in Wichita, Kans.
- Barr, Lee, 1318 South 20th St., Birmingham, Ala.
- Barry, Mrs. Helen, 220 West 71st St., New York, N. Y., also 726 Madison Ave., 627 West End Ave., N. Y.
- Beck, Eugene, 1500 "P" St., Lincoln, Neb.
- Beck, F. A., Newton, Kans.
- Bergquist, Maurine, 1433 "R" St., Lincoln, Nebr., Norfolk, Neb.
- Bickerstan, George S., Birmingham, Ala.
- Bissell, A. F., Jamestown, N. D.
- Black, L. F., (wife Ursula), Van Wert, O.
- Blaine, Paul E., Cumberland, Maryland, Kelly-Springfield T. & R. Co. Reported gone to Knoxville, Pa.
- Bozeman, P. E., Meridian, Miss. Formerly with National Creditors Co., St. Louis, Mo.
- Bradley, H. D., Orlando, Florida. Selling Stocks & Bonds.
- Brady, Julia, 1555 "R" St., Lincoln, Neb.
- Blair, McPherson, 2nd Lt. Virginia Nat'l. Guards, Columbus, Ga.
- Blowitz, J. H., (Ida), 406 N. Water St., Decatur, Ill., Mgr., Baers Quality Store. Reported gone to Milwaukee.
- Brosios, Capt. C. L., Delafield, Wis. Ins. Physician, Training St. Johns Military School.
- Brown, Glenn, Newton, Kans. Later Wichita and Arkansas City, and Colorado Springs, Colo. Sign Painter.
- Bruner, W. H., 2009 "R" St., Lincoln, Nebr.
- Buckner, John, (Col.), Newton, Kans. Laborer.
- Buell, Howard, Salina, Kansas. Ice Cream Factory.
- Burgess, John, Newton, Kans.
- Burnett, Jack, Orlando, Fla., Leesburg, Fla.
- Burns, O., 245 West 55th St., New York, N. Y.
- Bushnell, Douglas R., (Ada), Decatur, Ill. Electrician Decatur Motor Car Painting Co.
- Calvert, W. C., Friend, Nebr., and Kansas City, Mo.
- Cannon, Ray, Milwaukee, Wis., Val Blatz Brewing Co., understood gone to Los Angeles, Cal.
- Cassels, Miss E. H., 2121 "R" St., Washington, D. C.
- Cenzabo, A., Santiago, Cuba.
- Chambers, J. A., 8000 St. Charles St., New Orleans, La. Louisiana Gasoline Co., now believed in Memphis or St. Louis.
- Cheuvront, Mrs. Effie, 1121 "G" St., Lincoln, Neb.
- Chrisjansen, H. A., (Alfred), 112 S. 17th St., Lincoln, Neb.
- Church, C. C., 1231 Routt Ave., Pueblo, Colo. Laborer.
- Cluyslif, Maud or May, Seattle, Wash.
- Collier, Helen, 1514 17th St., Washington, D. C.
- Conrad, Louis, A., 120 Broadway, New York, N. Y.
- Courtright, V. C., 2013 "O" St., Lincoln, Neb.
- Craig, R. W., St. Joseph, Missouri, understood to have gone to California or Idaho.
- Cravens, H., 600 West 115th St., New York, N. Y.
- De Bolt, T. A., Capt., in U. S. Army, supposed to be in California.
- De Ford, George., Manville, Wyo.
- Decker, Henry, 450 E. 327 or 438 B. St., Lincoln, Neb.
- Dill, R. C., 1728½ Commercial St., St. Joseph, Mo. Garage.
- Durham, Orville M., 8th & Sizer St., Lincoln, Neb.
- Earl, Vera, 1220 "R" St., Lincoln, Neb.
- Ebert, Harry, 726 S. 7th St., Lincoln Neb.
- Engle, Martin, San Antonio, Texas. Tire Salesman, last heard of in Racine, Wis.
- Finney, John., 1114 W. 5th St., Davenport, Ia.
- Fisher, Miss Irma, Birmingham, Ala. Stenographer, supposed to be in St. Louis.
- Ford, Mrs., C. L., 66½ East Main St., Columbus, Ohio, 515 Parson Ave., Columbus, and Webster, Mass.
- Forney, Ralph, B., Muskogee, Okla., and Junction City, Kans.
- Fosnes, Kenneth, Snelling & Larpentuer Ave. St. Paul Minn.
- Gerrard, Virgil M., Orlando, Fla., Cincinnati, Ohio, somewhere in California.
- Githens, Fred, Decatur, Ill. Telegraph Operator, J. E. Bennett & Co., later with E. B. Conover Grain Co., Lincoln, Ill.
- Goggin, T. C. or Mrs. C. L., 173 Madison Ave., New York, N. Y. National Pruaform Package Co., said to be in Boston, Mass.
- Granam, Forest P., Pueblo, Colo., understand gone to Walla Walla, Wash.
- Griswell, J. K., Casa Grande Apts., New Orleans, La.
- Grotewold, Sam, Larchwood, Ia.
- Grubb, Robert A., Hubbell, Neb., formerly 1900 S. 25th St., and 1916 South St., Lincoln, Neb., thought gone to California.
- Gruenthal, F. J., New Orleans or Houston, Tex.
- Hall, G. O., Fort Worth, Texas. Hall Motor Car Co., also connected with Continental Brokerage Co.
- Hamaker, John D., Evansville, Ind. Insurance man, supposed to have gone to St. Louis.
- Hayes, Wm. G., 4620 St. Louis Ave., St. Louis, Mo. Smith Resi Piano Co. One time in Chicago.
- Harrison Fred, Orlando, Fla., anyone want him, or know anything about him?
- Hill, Robt. L., Last heard of in Kansas City, formerly connected with Cleveland Association of Cr. Men, (Wholesale).
- Holland, G. H., Winnipeg, Canada, Ganong's Chocolate Co.
- Holloway, Joseph, Benton, Ill., later Clover Port, Ky. Coal Miner.
- Horstmann, Ernst E., 1280, 4th Ave., San Francisco, Economy Steel Co.
- Huber, Miss Freda, 421 N. Sixth St., Terre Haute, Ind. Clk., Dept. Store.
- Hull, Mrs. Ive, 1916 "K" St., also 930 S. 13th St., Lincoln, Neb.
- Hummel, Howard, 3942 Connecticut St., St. Louis, Mo., with Study & Farrar, 310 Third Nat'l. Bank Bldg., St. Louis.
- Humphrey, Carl, 1509 Smith St., Lincoln Neb.
- Hunt, Albert, Orlando, Fla. Do you know anything of him?
- Jacobus, William, Roselle Hotel, St. Louis, Mo., also Ednell Hotel and the Lee Huckins Hotel, Oklahoma City.
- Keeton, Roland, 2337 "T" St., Lincoln, Neb.
- Kemper, C. H., Dallas, Texas, Albuquerque, N. Mex., Gainesville, Tex., Tampa Fla., and Miami.
- Foist, Morris, Havelock, Nebr.
- Kraft, Louise, 321 S. 19th St., Lincoln, Neb.
- Lee, C. C., Graystone Hotel, Philadelphia, Pa.
- Lee, R. E., 42 McCullough Bldg., Davenport, Ia., and Rock Island, Ill.
- Leshner, Dr. George S., La Conner, Washington, understand gone to Alaska, working U. S. Indian Dept., as Doctor.
- Levy, C. M., Selma, Alabama, Pharmacist, Swift Drug Co., supposed to have gone to Galveston, Texas.
- Lewis, Mrs. Sybil M., sometimes known as Sybil M. Eyres, Seattle Wash. Husband

- Jack Lewis, Auto Mechanic, reported gone to San Francisco or Los Angeles.
- Loso, P. G., 1909 Vine St., Lincoln, Neb.
- McAllister, P. D., Birmingham, Ala.
- McCanless, L. V., Cheyenne, Wyoming, gone to Albuquerque, N. Mex.
- McClintock, C. H., Garretson, S. D., gravel haulers.
- McCready, Williard K., Wilmington, Del., was in U. S. Army Cavalry Div.
- McDowell, F. C., 3401 Holdrege St., Lincoln, Neb.
- McFarland, H. M., Birmingham, Ala., also Montgomery Ala.
- McGrew, Mr. & Mrs. R. F., 1321 Farnam St., Omaha, Neb. Live Stock, supposed to be in Los Angeles, Cal.
- McLaughlin, Fern, Lincoln, Neb.
- Martin, John E., 2013 "O" St., Lincoln, Neb.
- Martinson, T. E., 109 Howe St., Seattle, Wash.
- Melton, J. B., Ogden, Utah, Advertising Man was connected with Astra Film Corp., Glendale, Cal.
- Meyers, H. E., Genl. Delivery, Los Angeles, Cal.
- Miller, Arden C., New Orleans, La., formerly Louisville, Ky., and Camp Knox, Ky., with Field Artillery.
- Mix, Glen C., Jackson, Minn., gravel hauler.
- Monahan, J. C., 306 Paulton, Sioux Falls, S. D., Guardian Life Ins. Co.
- Moore, F. Murphy, 164 Dennis Ave., Decatur, Ill. Insurance, understand was in St. Louis.
- Mudge, F. H., 1221 "P" St., Lincoln, Neb.
- Nightengale, F. O., Lincoln, Neb.
- Nantz, O. V., 933 "E" Routt Ave., Pueblo, Colo. Keyless Mail Box Co.
- Ninneman, G. A., 1917 So. 15th St., Lincoln, Neb.
- Nisbit, R. R., 1145 E. St., Lincoln, Nebr.
- Norwood, W. H., Brinkley, Ark. Contractor.
- O'Neill, Dr. J. P., Greenville, S. C.
- Orr, W. H., Orlando, Fla., Foley, Ala. Automobile Salesman.
- Paloski, Mile, Benton, Illinois, Danville, Ill. Coal Miner.
- Phelps, Norman, 522 9th St., Sioux City, Ia., Tire Salesman.
- Poarch, J. A., Parrish, Ala., Sta. Agt., Southern R. R. Co.
- Portner, Mrs. Myrtle, 1475 Faxon Ave., Memphis, Tenn., also Lawton, Okla.
- Rankins, Ira, 907 "L" St., Lincoln, Neb.
- Rasmussen, Victor, 2918 "S" St., Lincoln, Neb.
- Raymore, Verne, 833 S. 11th St., Lincoln, Neb.
- Riley, Vincent, 2121 Callow Ave., Baltimore, Maryland, Chauffeur, supposed to have gone to Chicago.
- Robertson, H. L., Orlando, Fla.
- Ross, Chas., 2042 Pepper St., & 2401 Ryons St., Lincoln, Neb.
- Saunders, D. B., Columbus, Ga., Public Accountant.
- Schiller, David, New Orleans, La., Tailor believed to be in Denver.
- Schleining, Jacob, 242 "B" St., Lincoln, Neb.
- Schmeltz, Frederick B., Pittsburgh, Pa. Universal Septic Tank Corp., later heard of in Youngstown, Ohio, Palestine Ohio, Jamestown and Buffalo, N. Y.
- Schmidt, Conrad, Fort Morgan, Colo., Laborer, reported gone to California.
- Schultz, Le Roy, 315 N. 34th St., and 1633 "P" St., Lincoln, Neb.
- Shenk, Chas., 1326 "P" St., Lincoln, Nebr.
- Sherman, Chas. E., 124 So. 11th St., Lincoln, Neb.
- Shutt, E. W., Pres. Exhibit Corp., Railway Exchange Bldg., St. Louis.
- Skinner, J. C., 321 Oak St., Decatur, Ill. also Albany, Ala. Ornamental Iron & Wire worker. Gone to Tampa, Fla.
- Smith, Carl L., Scottsbluff, Nebr.
- Smith, Emerson C., 1608 St. Charles St., New Orleans, La.
- Smythe, Hedley V., Orlando, Fla., came from Detroit, Mich.
- Sneider, C. A., St. Louis, Mo., formerly Greeley, Colo.
- Souser, W. H., Paris, Texas. Texas & Pacific R. R. Co. Came from Texarkana.
- Spellman, Rayford, 1455 Sumner St., Lincoln, Neb.
- Squier, Robt. N., 305 Farmers Tr. Co. Bldg., Ft. Wayne, Ind.
- Starkan, Anna, 1420 N. 14th St., Lincoln, Neb.
- Switzer, A. O., 1142 McKinley Ave., Akron, Ohio.
- Thibert, Dr. Pauline, Women's Medical College, Philadelphia, Pa. Later at Monson State Hospital, Palmer Mass., and in Boston and Worcester.
- Thompson, E. D., or Earney, Woodward & Muscle Shoals, Ala., Iron worker.
- Trew, F. M., Hotel Waldorf, Toledo, Ohio.
- Truxton, John H., 1630 S. Charles St., Baltimore, Maryland.
- Von Briggie, Earl, 1511 E. Columbia St., Seattle, Wash., thought to have gone to California.
- Vonderheide, Ray, Minneapolis, Minn. Sign Painter & Decorator.
- Waters, Chas. A., Orlando, Fla., employed Johnson Elec., Co.
- Welsh, Clinton, 1948 "T" St., or 157 So. 30th St., Lincoln, Neb.
- Wesley, Mrs. Chas., 1209 So. 8th St., Lincoln, Neb.
- Whitbeck, Mrs. V., 1448 "L" St., Lincoln, Neb.
- Whitton, Stephen, Toledo, Ohio, supposed to have come from California.
- Wilcox, Paul, 847 South St., Lincoln, Nebr., Steele City or Scottsbluff.
- Willcoxen, J. O., 3004 Grand Ave., Kansas City, Mo. Insurance Agt. Traveling in Oklahoma, Kansas and Texas.
- Willoughby, Herman L., 1324 "K" St., Havelock, Nebr.
- Wilson, George, 64 West Bayard St., Seneca Falls, N. Y., Roofer & Plumber, reported in vicinity of Pittsburgh.
- Winters, Ethel, 1916 "S" St., Lincoln, Nebr.
- Williamson, Pete, Benton, Ill., Evansville, Ind.
- Wilson, D., 506 S. 10th St., Lincoln, Nebr.
- Witte, Vincent, Larchwood, Iowa. Furniture.
- Wookey, C. F., Fort Morgan, Colo. Laborer, reported gone to California.
- Woolsey, C. C., 1618 "O" St., Lincoln, Nebr.
- Wridell, Mrs. K., 690 N. High St., Columbus, Ohio, formerly Miss M. Reynolds, also 507 W. High St., Detroit, Mich.
- Shofa, Alex., 256 Ira Ave., Akron, Ohio, reported gone to Cambridge, Ohio.
- Shulman, David N., Johns Hopkins Hospital, Baltimore, formerly Tucson, Ariz.
- Simmons, G. E., Kansas City, Mo., reported in Chicago, Ill., traveling salesman.
- Sisco, Frank T., 2031 Eutaw Place, Baltimore, Maryland, reported gone to Chicago.
- Slind, O. C., Havelock, Neb.
- Spencer, G. R., 134 H. St., or 410 S. 13th St., Lincoln, Neb.
- Spiros, Lampiras, 783 Delia Ave., Akron, Ohio, barber, reported gone to Wilkes Barre, Pa.
- Spurlock, J. M., 2115 So. 15th St., Lincoln, Nebraska.
- Stamps, W. O. Jr., 314 Alamo Plaza, San Antonio, last heard of in Abilene, Texas.
- Steele, Miss B. A., Grand Rapids, Mich., millinery buyer, supposed to have gone to California.
- Stone, W. R., 1031 S. Presa, San Antonio, Texas, baker, last heard of in Dallas, and Sherman, Texas.
- Sugarman, J., 12801 Griffing Ave., Cleveland, Ohio.
- ThurLOW, Jay A., Grand Rapids, Mich., supposed to have gone to Wichita Falls, or Wichita, Kans., salesman Safe Cabinet Co.
- Timlin, Miss Mary A., 613 Glenwood Ave., Govans, Maryland, later reported Detroit, Mich.
- Van Hyning, Dr. H. B., 746 Euclid Ave., also 1222 W. Cliffe Bl., Cleveland.
- Viavant, W. J., Houston Bldg., San Antonio, Texas, Ins. Agt., last heard of in New Orleans, La.
- Wheeler, L. P., 1744 N. 26th St., Lincoln, Neb.
- Whitaker, Mrs. M., 2432 Euclid Ave., Cleveland, Ohio.
- Wiley, Theodore F., 1713 Lamont Ave., 1717-17 N. W., Washington, D. C., auto salesman, supposed to be in Cleveland.
- Wyatt, George E., Walsenburg, Colo., a miner.
- Yentzen, J. H., 541 Goliad St., San Antonio, Texas, builders' supplies, last heard of in Beaumont, Texas.
- Young, W. H., 302 Francson Ave., San Antonio, Texas, traveling salesman.

DON'T FORGET! JANUARY 22, 1923,  
IS "PAY YOUR BILLS PROMPTLY DAY"



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